

**MINUTES ANNUAL GENERAL MEETING OF AVANTIUM N.V.**

**Date: 14 May 2020**

Minutes of the annual general meeting of **Avantium N.V.**, a public company (*naamloze vennootschap*) under the laws of the Netherlands, having its official seat in Amsterdam, the Netherlands, and its principal place of business at Zekeringstraat 29, 1014 BV Amsterdam, the Netherlands (**Avantium**), held via live webcast, on Thursday 14 May 2020 14:00 PM CET (**Meeting**).

Chairperson : Mr E. Moses (chairman of Avantium's Supervisory Board)

Secretary : Mrs C. Portocarero (Avantium's general counsel)

**1. Opening**

The Chairperson opens the Meeting at 14:00 PM CET, welcomes the attendees and highlights the course of events of the Meeting. The Chairperson notes that this AGM is an interactive virtual meeting, being an unusual format in these unprecedented times due to the COVID-19 pandemic. He emphasises that the health and safety of Avantium employees, Supervisory Board members, shareholders and other participants is of paramount importance. The Chairperson reviews the formalities and specifics for this virtual meeting format.

The Chairperson states that Mr Tom Van Aken, Chief Executive Officer is present (**Management Board**). All members of Avantium's supervisory board, Mrs Kleinsman, and Messrs Moses and Lucquin (**Supervisory Board**) are present. Attending furthermore are Mr Bart Welten (CFO), proposed to be appointed during this Meeting as member of the Management Board, and Mrs Michelle Jou, proposed to be appointed during this Meeting as member of the Supervisory Board.

Some attendees are physically present in the studio and some are attending through a video and audio conferencing connection. In the meeting room the following participants are present: Tom van Aken, Bart Welten, Margret Kleinsman and Carmen Portocarero. Denis Lucquin, Michelle Jou and the Chairperson are participating via a video and audio conferencing connection.

Furthermore, also participating via video and audio conferencing are Mr Westerman, partner at PricewaterhouseCoopers Accountants (**PwC**), and Mrs J. Leemrijse, partner and notary at Allen & Overy.

The Chairperson notes that the Meeting will be held in English. Shareholders were requested to submit questions prior to the Meeting. Follow-up questions can be asked in English or Dutch, via the designated chatbox; they will be received during the meeting by Mrs Portocarero and addressed by the appropriate member of the Management or Supervisory Board in English or in Dutch. The webcast has a 30 seconds delay, so although

the chat box will be monitored closely, the question may not be addressed immediately or only after the meeting.

The Chairperson apologises for not offering a Dutch interpreter which was planned for this year's meeting, but it turned out to be too big a challenge from a technical perspective in this current virtual meeting environment.

The Chairperson notes that all legal requirements to call the Meeting are complied with, and that the Meeting is therefore authorised to take decisions with respect to the items stated in the agenda.

After the Meeting, a list with the questions and answers will be published on the website, separately from the minutes. Draft minutes will be made available on Avantium's website within 3 months from today. Shareholders wishing to respond or comment to these minutes may do so within 3 months from the date of such publication. After that period, the minutes will be adopted in accordance with Avantium's articles of association.

The Chairperson continues by stating that shareholders have submitted their votes via the ING EVO-platform or by giving a power of attorney to Mrs J. Leemrijse or to Mrs C. Portocarero. This means that the voting results are already known and these will be announced at the end of the Meeting for all voting items on the agenda in one reading, and subsequently be published.

The Chairperson confirms that on the record date (16 April 2020) 25,831,817 ordinary shares in the capital of Avantium were issued. At the date of the Meeting, this number of shares at issuance and corresponding number of votes has not changed. At the Meeting, 65.71% of the issued and outstanding capital of Avantium is present or represented, in total entitled to cast 16,974,424 votes. The Management Board has not received any proposals from shareholders to address any other items than the agenda items that have been included in the convocation notice of the Meeting; the Chairperson then moves to the discussion of those items that have been included in the agenda.

## **2. Annual Report of the Management Board for financial year 2019**

The Chairperson raises agenda item 2: the report of the Management Board for the financial year 2019. The Chairperson gives the floor to Mr van Aken, Avantium's CEO, to elaborate on the report of the Management Board.

Mr Van Aken highlights the relevant items, along the lines of, and all as included in his presentation, a copy of which is published on [Avantium's website](#).

Mr Welten elaborates on the financial results for 2019 and the cash position of the company, providing the following background:

- Last year, consolidated revenues from operations increased by 22% to EUR 13.8 million. This was mainly driven by the increased systems sales in Avantium's

Catalysis business unit, this business unit recorded 15% higher revenues in 2019 compared with 2018;

- In Avantium's Renewable Chemistries business unit, higher revenues related to collaboration agreements with partners and revenues in Avantium's Renewable Polymers business unit increased as a result of cooperation agreements allowing customers to validate the YXY technology;
- Net loss for the year 2019 amounted to EUR 23.5 million. Overall operational costs in 2019 amounted to EUR 41 million, compared to EUR 39.3 million in 2018. In 2019, Avantium Renewable Polymers B.V. was included in the Avantium N.V. cost base, which resulted in an additional EUR 10.5 million of operational costs. The increase in operational costs in 2019 was partially offset by the provision for the onerous contract expenses of EUR 13.1 million made in 2018;
- As of December 31, 2019, Avantium's cash position was EUR 45.4 million. The 2019 cash outflow resulted primarily from investments in the company's technology programmes. As announced publically, Avantium paid EUR 17.4 million in January 2019 to regain full ownership of Avantium Renewable Polymers;
- It is planned to have an operational cash outflow of less than EUR 25 million for the year 2020. The focus of the company in 2020 will be on securing financing to help accelerate the commercialisation of Avantium's lead programmes;
- For the coming year, the focus is on attracting the funding for the FDCA flagship plant in Delfzijl for Avantium Renewable Polymers, aimed to be in place before the end of the year 2020. Furthermore, it is planned to obtain off-take commitments for FDCA and PEF from business partners. The Renewable Chemistries business unit will concentrate on exploring partnership opportunities for its three lead programmes - Ray Technology, Dawn Technology and Volta;
- In the Catalysis business unit, the aim is to achieve profitable growth by, amongst other things, broadening the Catalysis offering with new products and services;
- Avantium needs to secure sufficient cash for the company to operate and invest in its key R&D programmes, therefore the company is exploring various financing options of which equity-based financing is one.

Following these comments, Mr Welten mentions that on the agenda today under agenda item 9b, an authorisation request to issue shares is proposed. Especially in the current circumstances with the Corona pandemic, the company believes it is desirable for the Management Board to have the authority to issue ordinary shares with a nominal value amounting up to 20% of the issued capital at the time of issue. This will allow the company to be flexible and to react quickly to the prevailing circumstances.

Mr Welten concludes with a reference to a shareholder's question on the company's current cash position and its possibilities to raise sufficient cash until it becomes cash-flow positive. He believes his previous remarks have answered that question. He hands over to the Chairperson.

The Chairperson thanks Messrs Van Aken and Welten for the business and financial updates and requests Mr Van Aken to continue with addressing the questions received in advance, or as follow-up questions during the Meeting.

Reference is made to the document ["Questions Shareholders Avantium AGM 2020, date 14 May 2020", as published on the company's website.](#)

Mrs Portocarero confirms no further follow-up questions were raised. Mr Van Aken concludes by stating that he hopes that the questions have been sufficiently answered and hands over to the Chairperson.

The Chairperson thanks Mr Van Aken and continues with the next agenda item.

### **3. Remuneration Report 2019**

The Chairperson continues with agenda item 3: the Remuneration Report for the financial year 2019. The Chairperson starts this agenda item by stating that the Avantium Remuneration Report is taking into consideration the application of the respective policies in 2019. The report is prepared in accordance with Section 135b Book 2 of the Dutch Civil Code and is brought in line with the EU-guidelines based on the EU Shareholders' Rights Directive. The Chairperson confirms that the company will continue to improve the alignment of its remuneration policies with the various guidelines and regulations over the year 2020.

The Chairperson explains that pursuant to the new legislation, the Meeting has an advisory vote on the Remuneration Report. It is proposed to approve the Remuneration Report 2019. Avantium will subsequently take the advisory vote into consideration for next year's Remuneration Report.

As chairman of the Remuneration Committee, the Chairperson, Mr Moses, will elaborate upon this agenda item.

The remuneration report describes Avantium's remuneration policy and the actual remuneration paid to members of the Management and Supervisory Board in 2019. The remuneration report 2019 is published separately on [Avantium's website](#), and is also outlined in the 2019 Financial Statements on pages 58-71.

#### **Management Board Remuneration**

The remuneration and the individual contracts of the members of the Management Board are determined by the Supervisory Board. The Supervisory Board makes these

determinations within the framework of the remuneration policy, which policy was first adopted by the general meeting in February 2017.

The Supervisory Board is responsible for ensuring that the remuneration policy and its implementation are aligned with Avantium's objectives. For an innovative company of the nature of Avantium it is very important to attract, motivate and retain highly qualified executives and reward members of the Management Board with:

- (i) a balanced and competitive remuneration package that is focused on:
- (ii) sustainable results and is aligned with the company's long-term strategy.

**With respect to (i) – balanced and competitive remuneration package**

The remuneration levels are aimed to be at the median of relevant comparable markets and companies. The remuneration committee has consulted professional independent experts to ensure an appropriate comparison. It further reviews the impact of pay differentials within Avantium, which is taken into account by the Supervisory Board when determining the overall remuneration.

Compensation for members of the Management Board in 2019 consisted of the following components:

- fixed annual base salary;
- annual variable remuneration (bonus);
- long-term variable remuneration in the form of share based payments;
- allowance for pension and fringe benefits;
- severance payments.

Mr Moses refers to the Remuneration Report and pages 58-71 of the Financial Statements for further details.

**With respect to (ii) – sustainable results and linked to performance**

Remuneration is linked to performance; a proportion of the remuneration package is variable and dependent on the short-term and long-term performance of the individual Management Board member and the company. Performance targets must be realistic and sufficiently stretching. In addition, the Supervisory Board ensures that the relationship between the chosen performance criteria and the strategic objectives are properly reviewed and accounted for.

The performance targets are specific and measurable, and are formulated and communicated at the beginning of the year. The targets – based on Strategic

Differentiators, Commercial Performance and Operational Performance targets - are based on Avantium's strategy and long-term objectives.

The Supervisory Board seeks to take the interests of all stakeholders into account when setting the performance criteria.

The targets of the Strategic Differentiators are based on value creation for shareholders and other stakeholders, and realising strategic focus. The targets for Commercial Performance are based on securing strategic partnerships for the commercialisation of technology programmes and reaching the commercialisation phase of the different technology programmes (path from laboratory scale to demonstration scale and finally commercialisation scale). The Operational Performance targets are financial targets, consisting of budget cash runway components.

Avantium does not disclose the exact targets, as these represent strategically and commercially sensitive information. The set targets are fully in line with the long-term strategy of Avantium to maximise the value of its technologies. Sharing these publicly would be detrimental and would hinder the achievement of Avantium's targets. It would not be in the interests of the company, nor those of its shareholders or other stakeholders. Mr Moses notes that insight is provided retroactively, looking at the yearly achievements as reported in Avantium's annual reports.

### **Supervisory Board Remuneration**

Mr Moses continues by addressing the remuneration of the Supervisory Board. The remuneration policy for the Supervisory Board was adopted by the general meeting on 10 February 2017. It is designed to attract and retain diverse Supervisory Board members with a broad international background and the right balance of personal skills, competences and experience required to oversee Avantium's (execution of) long-term strategy and performance, serving the interests of all stakeholders.

Pursuant to the Articles of Association, the General Meeting may determine the remuneration for Supervisory Board members upon proposal by the Supervisory Board.

The remuneration of the Supervisory Board is reflected as part of the remuneration report 2019 and is also outlined in the 2019 Financial Statements on pages 58-71.

The remuneration consists of an annual fee and reimbursement of travel and other expenses. In addition, members of the Supervisory Board may participate in the Employee Share Option Plan. It is acknowledged that this is a deviation to the Dutch Corporate Governance Code Best Practice provision 3.3.2. The company intends to continue this practice, subject to the General Meeting's approval and the applicable terms of the ESOP.

For the year 2020, Mr Moses refers to agenda items 6 (a) and 6 (b) for the proposed remuneration policies for the Management and the Supervisory Board respectively.

The Chairperson closes this agenda item, since there were no questions submitted and continues with the next agenda item.

#### 4. Adoption of the annual accounts 2019

The Chairperson proceeds with agenda item 4: the adoption of the annual accounts 2019.

On 25 March 2020, the Management Board members and the Supervisory Board members signed the annual accounts 2019 drawn up by the Management Board. The annual accounts were published on 25 March 2020. The annual accounts and the notes thereto, together with the approving auditor's report, have been made available for inspection.

The Chairperson invites Mr Antoine Westerman from PwC to present the auditor's report.

Mr Westerman thanks the Chairperson and the attendees for the opportunity to elaborate on PwC's audit of the 2019 financial statements of Avantium N.V. Mr Westerman explains that his presentation will mainly focus on the materiality, audit scope and key audit matters as included in the auditor's report. Key audit matters are those matters that, in the professional judgment of PwC, were of most significance in the audit of the 2019 financial statements.

The PwC auditor's report is included in the 2019 financial statements of Avantium on page 121 to 131.

With respect to the **materiality**, Mr Westerman states the following:

- The materiality determines the depth and extent of PwC's audit procedures. This materiality is determined based on what is considered relevant for the user of the financial statements. The materiality has been determined, based on the auditor's professional judgment, at EUR 750,000 (FY 2018: EUR 260,000). This amount represents 4% of the result before income tax.
- Compared to the prior year, for 2019 PwC aligned the current year's materiality with the general practice applied for public companies, where generally 5% of the result before income tax is considered an appropriate benchmark. Mr Westerman notes that for certain areas, for example the disclosure of the Management Board's remuneration, a lower materiality level is applied. All identified differences exceeding EUR 37,500 (Financial Year 2018: EUR 13,000) are reported to the Supervisory Board of Avantium.

With respect to the **audit scope**, Mr Westerman elaborates on the following components:

- The Avantium group consists of three business units: Renewable Polymers (formerly known as Synvina), Renewable Chemistries and Catalysis.
- The audit procedures are performed on all identified components as part of the group audit procedures. The engagement team performed the audit work on these components, the group consolidation and the financial statements disclosures.

With respect to the **key audit matters**, Mr Westerman elaborates on the following:

- In line with previous years, PwC has issued a long form auditor's report. The following Key Audit Matters are included in the auditor's report:
  - o Meeting funding requirements to execute strategy;
  - o Acquisition of Renewable Polymers B.V. and impairment assessment of property, plant and equipment; and
  - o Capitalisation of development expenses.

Mr Westerman explains that in prior years, PwC included project revenue recognition and valuation of contract assets and liabilities as a key audit matter. During last year, it was considered a key audit matter due to the implementation of IFRS 15 and the associated complexity with implementing the new accounting standard.

Mr Westerman briefly comments on the **identified key audit matters**:

- 1) Meeting funding requirements to execute strategy: as reflected in the Management Board's report and the notes to the financial statements, Avantium is developing multiple technologies, requiring significant funding. Additional funding is required to bring Renewable Chemistries and/or Renewable Polymers projects to the next stage, being commercialization. There is a risk that the Company will not be able to obtain sufficient funding to execute its strategy in the upcoming years.

In the 2019 audit, the following matters were addressed specifically:

- o Evaluation of management's cash flow forecasts and challenge of the underlying key assumptions; and
- o The adequacy of the disclosures with respect to the funding need, the sensitivities within the forecasts and the going concern assumption.

Based on the procedures performed, PwC found the disclosures with respect to the funding need, the sensitivities within the forecasts and the going concern assumption to be an appropriate reflection of facts and circumstances recognising the sensitivities and the judgements involved.

- 2) Acquisition of Renewable Polymers B.V. and impairment assessment of property, plant and equipment: PwC addressed the appropriateness of accounting for this



acquisition as a business combination by means of evaluating the criteria of IFRS 3 against the contract terms and the way the business continued after the reacquisition. PwC found accounting of this transaction under IFRS 3 to be appropriate, including the disclosure. As this acquisition took place early 2019, it was considered as subsequent event for the 2018 financial statements and the actual accounting treatment was in line with the analysis performed at that time and as reported last year.

Based on the audit procedures performed, PwC found that the assumption made by management that no impairment was required was supported by reasonable assumptions that were consistently applied. No significant matters were noted.

- 3) Capitalisation of development expenses: PwC evaluated management's assessment of the development expenses incurred in 2019, and came to the conclusion that none of the projects met all the criteria for capitalisation and assessed this in particular for the Renewable Chemistries and Renewable Polymers related expenses.

PwC read the Supervisory Board minutes, obtained project progress information and reviewed available written communication with the commercial partners (including subsidies) and determined that available financial resources are not yet sufficient to bring Renewable Chemistries and/or Renewable Polymers projects to the next stage, being commercialization.

Mr Westerman states that PwC found the key assumptions in management's assessment for not capitalising development expenses supportable in light of presently not having secured sufficient financial resources to complete the development of the product development programs.

Finally, Mr Westerman elaborates on the emphasis of matter due to the uncertainty related to the effects of the COVID-19 virus:

- As indicated in the auditor's report for 2019, attention was drawn to the note of the going concern assumption in the financial statements in which management has described the possible impact and consequences of COVID-19 (Corona) virus as well as the measures taken and planned to deal with related events and circumstances. This note also indicates that uncertainties remain and that currently it is not reasonably possible to estimate the future impact of the virus. No direct going concern risk was identified considering available cash.
- PwC believes that management has sufficiently disclosed the COVID-19 related uncertainties and that the financial statements have been correctly prepared based on a going concern basis. The auditor's opinion is not modified in respect of this matter and is therefore still unqualified.

Mr Westerman concludes his presentation and hands over to the Chairperson.

After having thanked Mr Westerman, the Chairperson confirms that there are no questions regarding this agenda item and therefore continues with the next agenda item.

## **5. Discharge**

### **(a) Discharge from liability Management Board members**

The Chairperson turns to agenda item 5 (a): the proposal to grant full discharge from liability to the members of the Management Board for the performance of their duties during the financial year 2019.

The Chairperson starts with a word of thanks to Frank Roerink. Frank resigned as member of the Management Board as of 31 December 2019. The Chairperson expresses his gratitude to Frank Roerink for the important contribution he made over the years as CFO to the development of Avantium.

The Chairperson states that no questions were raised on this agenda item and continues with the next agenda item.

### **(b) Discharge from liability Supervisory Board members**

The Chairperson continues with agenda item 5 (b): the proposal to grant full discharge from liability to the members of the Supervisory Board for their supervision duties during the financial year 2019.

After confirming that no questions were raised on this agenda item, the Chairperson continues with the next agenda item 5.

## **6. Remuneration Policies**

The Chairperson turns to agenda item 6: the adoption of the remuneration policies for the Management Board and Supervisory Board.

As chair of the remuneration committee, the Chairperson, Mr Moses, starts with a short introduction on these two agenda items. On 1 December 2019, the revised EU Shareholder Rights Directive II was implemented into Dutch law. The directive introduces new rules on director remuneration and also introduces new requirements for the remuneration policy.

The Supervisory Board, together with its Remuneration Committee, has adjusted the remuneration policy for the Management Board and has drawn up a remuneration policy for the Supervisory Board in order to comply with the directive and the new Dutch legislation.

The Supervisory Board has submitted these two policies to the General Meeting for adoption under agenda items 6 (a) and (b).

**(a) Adoption of the remuneration policy for the Management Board**

The Chairperson continues with agenda item 6 (a): the adoption of the remuneration policy for the Management Board and starts with an introduction on this agenda item.

In relation to the remuneration of the members of the Management Board, it is Avantium's intention to conduct a remuneration benchmark at least every four (4) years in order to assess the level of competitiveness of the remuneration, at which moment not only remuneration levels should be adjusted to market levels (if necessary), but also other remuneration elements may be adjusted according to new developments and/or requirements. In the context hereof, the Remuneration Committee will also review the Company's Employee Stock Option Plan and Long-term Incentive Plan for any required adjustments.

The last policy review and remuneration benchmark was conducted in 2017, and a next review is planned for 2021.

The Supervisory Board therefore decided for 2020 to apply only changes necessary to comply with the abovementioned legislation and other legislative changes, and to propose a revision of this Remuneration Policy in 2021 based on more substantive changes.

Further to consultation with certain shareholders, the Supervisory Board will, in the second half of 2020, explore the extent to which it can be more transparent on the performance targets, remaining mindful of the fact that this concerns strategically and competitively sensitive information.

It is proposed to adopt the remuneration policy of the Management Board as included in the meeting documents and as published on Avantium's website. If adopted, this remuneration policy is retroactively effective as of 1 January 2020.

The Chairperson notes that the Works Council has positively advised on the remuneration policy for the Management Board. The Chairperson closes this agenda item, since no questions were raised on this item.

The Chairperson continues with the next agenda item.

**(b) Adoption of the remuneration policy for the Supervisory Board**

The Chairperson turns to agenda item 6 (b): the adoption of the remuneration policy for the Supervisory Board.

The Chairperson starts with an introduction. Avantium's current remuneration policy for the Supervisory Board was adopted by the general meeting on 10 February 2017. In accordance with the implementation of SRD II into Dutch law, the General Meeting is now also invited to adopt a revised remuneration policy for the Supervisory Board that now provides for a more detailed explanation of e.g. how the remuneration elements contribute to the strategy, long-term interests and sustainability of Avantium.

The key elements of the current remuneration policy of the Supervisory Board remain unchanged, but as part of this review the right to award share options to the members of the Supervisory Board under applicable conditions is now explicitly included.

The Chairperson confirms that fixed remuneration and expenses provisions remain unchanged.

In line with the previously communicated policy on remuneration, the members of the Supervisory Board may participate in the Company's Employee Share Option Plan (ESOP).

It is proposed to make a one-off fixed award of share options under the ESOP to the members of the Supervisory Board upon their appointment, or as per the date of adoption of the proposed remuneration policy for the current members of the Supervisory Board. The chairman of the Supervisory Board is proposed to receive a one-off fixed award of eighty-five thousand (85,000) share options, and the other members of the Supervisory Board are proposed to receive a one-off fixed award of thirty thousand (30,000) share options.

The applicable terms and conditions were set out in the explanatory notes to the agenda and in more detail in the proposed remuneration policy published on Avantium's website. These terms and conditions will furthermore be confirmed in the personal award agreement between Avantium and the relevant member of the Supervisory Board.

The Chairperson acknowledges that the granting of share options is a deviation to the Dutch Corporate Governance Code Best Practice provision 3.3.2. and summarises the arguments in favour of this remuneration component whilst acknowledging his conflict of interest in this matter:

- Avantium wants to attract Supervisory Board members with the right balance of personal skills and a broad international background, where the option instrument is sometimes common, and with competences and experience required to oversee (the execution of) Avantium's strategy, its performance and long-term value creation, serving the interests of all stakeholders;
- it is believed that it is critical for Avantium to attract people who are highly capable and motivated to contribute to its ambitious targets;

- the share option component is now presented as a fixed component of remuneration; a fixed one-off award on appointment, with lock-up until after the term of appointment;
- the award is therefore not made dependent on the performance of a member of the Supervisory Board. The variable element is linked to the changing value of shares;
- with this remuneration element, the company wants to bring the interests of Supervisory Board members in line with those of the company and other stakeholders;

It is proposed to adopt the remuneration policy of the Supervisory Board as included in the meeting documents and as published on Avantium's website. If adopted, this remuneration policy will be effective from 1 January 2020.

The Chairperson closes this agenda item with the confirmation that the Works Council has positively advised on the remuneration policy for the Supervisory Board.

Since no questions were raised on this item, the Chairperson continues with the next agenda item.

## **7. Composition of Management Board**

The Chairperson turns to agenda item 7: the composition of the Management Board.

The Chairperson states that in accordance with article 14.4 of Avantium's articles of association, the Supervisory Board proposes to the General Meeting, to appoint Mr Bart Welten as statutory member of the Management Board, for a period of four (4) years. Mr Welten joined Avantium as Chief Financial Officer (CFO) in January 2020.

The Chairperson gives the floor to Mr Welten, to introduce himself.

Mr Welten states that he worked in the life science business most of his career, both in the pharmaceutical and food industry. After graduating from law school in Leiden and business school in Boston, Mr Welten was active as management consultant before joining Royal Gist-Brocades, where he held several finance positions in the Netherlands and Italy. After the acquisition of Gist-Brocades by DSM, Mr Welten joined the DSM Corporate finance department and became interim CFO for Catalytica Pharmaceuticals in North Carolina. In the year 2002, Mr Welten joined the biotech start-up Kiadis Pharma as a CFO and one year later returned to DSM and subsequently became CFO of DSM Resins. From 2012 to 2019, Mr Welten served as the CFO of Centrient Pharmaceuticals (formerly the joint venture of DSM and Sinochem) in Singapore and managed the sale of the company to Bain Capital. Outside of Avantium, Mr Welten is a member of the Supervisory Board of Sanquin.

The Chairperson thanks Mr Welten for his introduction and states that the proposal to appoint Mr Welten as statutory member of the Management Board is made taking into account the limitation to the number of functions as prescribed by applicable law, and the Management Board Regulations.

The Supervisory Board proposes to appoint Mr Welten for a first four-year term as member of the Management Board, ending following the close of the Annual General Meeting in 2024. Mr Welten holds the role of CFO.

The Chairperson confirms that the Works Council has been provided with the opportunity to determine its position and provide advice on the appointment of Mr B. Welten as a statutory member of the Management Board, and has endorsed the appointment.

Regarding the remuneration of Mr Welten, the Chairperson refers to the remuneration policy as just adopted and the details in explanatory notes as published together with the agenda for this Meeting. For the purpose of recording such, these details are included below.

#### **Remuneration of Mr B. Welten**

Mr Welten is currently employed under an employment agreement with Avantium Support B.V., a subsidiary of the Company. The employment agreement will be replaced by a management service agreement with Avantium N.V. (foreseen for the financial year 2020).

Upon appointment, the key terms of his employment agreement, which are in line with the proposed remuneration policy for the Management Board, are:

- An annual base salary of two hundred thirty five thousand Euro (EUR 235,000).
- An annual bonus arrangement with an on-target bonus opportunity equal to 50% of his annual base salary, and a maximum bonus opportunity equal to 75% of his annual base salary, divided into (i) a 50% cash component; and (ii) a 50% non-cash component which must be invested in Investment Shares. The cash component of the bonus may, at the discretion of Mr Welten, also be invested in Investment Shares. The share options will vest on an annual pro rata basis during a period of three (3) years as of the date of award, therefore fully vesting on the third anniversary following the date of the award. The Investment Shares are subject to a retention period of five (5) years. After the end of the retention period, the company will match the Investment Shares in a 1:1 ratio, i.e. one matching share is granted for each Investment Share. For more information on the Company's incentive plans, please see the 'Remuneration Report' of the Annual Report 2019 and the Remuneration Policy.
- An annual contribution for pension and other fringe benefits amounting to approximately 23% of his annual base salary.

- The agreement is for an indefinite period of time and does not contain severance payment provisions.
- A termination notice period of four (4) months applies for the Company, and two (2) months for Mr Welten.

On 20 December 2019, the Supervisory Board decided upon the award of fifty thousand (50.000) share options to the newly appointed CFO Bart Welten, (in two tranches of twenty-five thousand (25.000) share options each, the first tranche at the end of his first business day of employment (January 15 2020) and the second tranche, subject to his appointment as member of the Management Board by the General Meeting, at the end of the business day of the General Shareholders Meeting in May 2020) – with an exercise price determined on (i) the basis of the date of employment; (ii) the date of the Annual General Meeting (on or around 14 May 2020); and (iii) the rules of the Company's Employee Stock Option Plan, including the personal award agreement between the Company and Mr Welten.

Since no questions were raised on this item, the Chairperson continues with the next agenda item.

## **8. Composition of Supervisory Board**

The Chairperson turns to agenda item 8: composition of the Supervisory Board and the appointment of Mrs Michelle Jou as member of the Supervisory Board.

The Chairperson states that in accordance with article 21.3 of Avantium's Articles of Association, it is proposed to the General Meeting to appoint Mrs Jou as member of the Supervisory Board for four (4) years, until the end of the annual general meeting of 2024.

The Chairperson gives Mrs Jou the floor to introduce herself.

Mrs Jou states that it is a great pleasure for her to be present at this meeting. Mrs Jou fulfils a senior position at Covestro AG, a German based multinational which is among the world's leading manufacturers of high-tech polymer materials for all key industries. She is leading Covestro's Polycarbonate business unit, which is generating a yearly turnover of approximately EUR 3.5 billion, with close to 4000 employees who are active from technology, production, R&D to marketing and sales globally. Born and raised in Taiwan, she completed her studies of business management in France. She has been active in the chemical/polymers industry for close to 25 years, in various functions and management positions. Mrs Jou has extensive business experience in Asia, having spent 7 years in Hong Kong and 13 years in China. For four years now she works and lives in Germany.

Mrs Jou expresses her excitement about Avantium's technologies as they address important societal challenges. Avantium is in a unique market position to create high value for its customers and stakeholders. Mrs Jou states that she is impressed by the level of passion and commitment of the Avantium team and that she is honoured with her

nomination and the opportunity to join the Supervisory Board. She is very committed to support the Avantium team to drive the further development and success of Avantium.

The Chairperson thanks Mrs Jou for her introduction and elaborates on her proposed appointment. The proposal to appoint Mrs Jou is made taking into account the limitation to the number of functions as prescribed by applicable law, and the Supervisory Board Regulations and Supervisory Board profile, including the diversity policy. Mrs Jou qualifies as an independent Supervisory Board member within the meaning of the Dutch Corporate Governance Code. Mrs Jou currently does not own any Avantium shares.

The Works Council has been provided with the opportunity to determine its position and provide advice on the appointment of Mrs M. Jou as member of the Supervisory Board, and is in favour thereof.

It is proposed to appoint Mrs Jou as a member of the Supervisory Board in accordance with the nomination of the Supervisory Board for a period of four (4) years with effect from the date of this meeting, ending by close of the Annual General Meeting to be held in 2024.

#### **Remuneration of Mrs M. Jou**

In line with the proposed remuneration policy for the Supervisory Board, and subject to Mrs Jou's appointment, the Chairperson states that Mrs Jou will receive a fixed fee in the amount of forty thousand Euro (EUR 40,000) gross. If elected as a member of the remuneration committee, the nomination committee and/or the Audit Committee, this remuneration will be increased with an annual amount of five thousand Euro (EUR 5,000) gross per each membership. Mrs Jou will furthermore be entitled to a one-off fixed award of thirty-thousand (30,000) share options, subject to the terms of the proposed remuneration policy and the ESOP.

The Chairperson refers to the explanatory notes as published together with the agenda for this meeting and the proposed remuneration policy for the Supervisory Board.

As a personal note, the Chairperson adds that the Supervisory Board is delighted to have been able to attract someone of Mrs Jou's calibre and that the Supervisory Board very much looks forward to working with her. The Chairperson adds that the Supervisory Board is focusing on further developing its strength and experience and he hopes to be able to announce more good news in this area in the not too distant future.

Since no questions were raised on this agenda item, the Chairperson continues with the next agenda item.

#### **9. Authorisations of Management Board regarding shares**



The Chairperson continues with agenda item 9: the authorisations of the Management Board regarding shares. Before addressing these agenda items, the Chairperson provides an introduction and some further background.

It is desirable for the Management Board to have restricted authority to issue ordinary shares and to grant rights to subscribe for ordinary shares, in order to be able to provide for financial flexibility for investments in its acceleration towards commercialisation, its operations (e.g. for running costs), and/or capital expenditure, and furthermore to grant option rights in connection with Avantium's long term incentive and share-based compensation plans for employees, management team and Management and Supervisory Board members.

In accordance with Article 6 and 7 of the Articles of Association, the General Meeting, by virtue of the resolution adopted on 15 May 2019, has extended the period during which the Management Board is authorised to issue shares and to limit or exclude the pre-emptive rights when issuing ordinary shares by 18 months. This authorization will therefore end on 15 November 2020 if it is not extended or renewed.

Resolutions whereby the Management Board exercises these powers to issue ordinary shares and to limit or exclude the pre-emptive rights when issuing ordinary shares are subject to approval by the Supervisory Board.

**(a) Designation of the Management Board to issue up to 5% ordinary shares and to exclude pre-emptive rights in connection with the Company's long term incentive and share-based compensation plans**

The Chairperson states that this proposal is submitted to the General Meeting to designate the Management Board as the corporate body authorised:

- 1) to issue ordinary shares, which includes the granting of rights to subscribe for ordinary shares, and
- 2) to limit or exclude pre-emptive rights of existing shareholders limited to a number of ordinary shares with a nominal value amounting to up to 5% of the issued capital at the time of issue for a period of 18 months from the date of this General Meeting (i.e. up to and including 14 November 2021).

The issue price will be determined by the Management Board.

The Chairperson explains that Avantium wishes to make use of the authority sought under this proposal for the purpose of servicing existing and historically originating option rights in connection with Avantium's long term incentive and share-based compensation plans (ESOP and LTIP) for employees, management team, Management Board and members of the Supervisory Board.

The Chairperson turns to agenda item 9 (b).

**(b) Designation of the Management Board to issue up to 20% ordinary shares and to exclude pre-emptive rights.**

The Chairperson states under this agenda item, a proposal is submitted to the General Meeting to designate the Management Board as the corporate body authorised:

- 1) to issue ordinary shares, which includes the granting of rights to subscribe for ordinary shares, and
- 2) to limit or exclude pre-emptive rights of existing shareholders, both limited to a number of ordinary shares with a nominal value amounting up to 20% of the issued capital at the time of issue for a period of 18 months from the date of this General Meeting (i.e. up to and including 14 November 2021).

The issue price will be determined by the Management Board.

The Chairperson explains that, as already elaborated on by Mr Welten in the financial update, Avantium wishes to make use of the authority sought under this proposal for the purpose of providing for financial flexibility for investments in its acceleration towards commercialisation of Avantium's lead technology programmes, its operations (e.g. for running costs), and/or capital expenditure.

The Chairperson continues with agenda item 9 (c).

**(c) Authorisation of the Management Board to repurchase shares up to 10% of the share capital of Avantium on behalf of Avantium**

It is proposed that the General Meeting authorises the Management Board – subject to the approval of the Supervisory Board – to repurchase, for a period of 18 months effective as of the date of this meeting (i.e. up to and including 14 November 2021), on a stock exchange or otherwise, fully paid-up (depository receipts for) shares in the capital of Avantium on behalf of Avantium up to a maximum of 10% of the issued share capital of Avantium as at the date of this meeting.

The purchase price shall not be lower than ten (10) eurocent and not higher than 110% of the average of the closing price of a share as reported in the official price list of Euronext Amsterdam and/or Euronext Brussels over the five (5) trading days preceding the date of purchase.

This repurchase authorisation provides the Management Board, subject to the approval of the Supervisory Board, the flexibility to reduce Avantium's outstanding share capital, if required. The proposed authorisation will replace the current authorisation granted to the Management Board on 15 May 2019.

Since no questions were raised on the foregoing three agenda items, the Chairperson continues with the next agenda item.

**10. Appointment of PwC as external auditor for financial year 2020**

The Chairperson moves on to agenda item 10, the last voting item: appointment of PwC as external auditor for the financial year 2020.

The Chairperson hands over to Mrs Kleinsman, as chair of the Audit Committee to provide some background on this agenda point.

Mrs Kleinsman starts with stating that pursuant to article 393, book 2 of the Dutch civil code, the General Meeting charges an external auditor with the task of auditing the financial statements. The Management Board and the Audit Committee have evaluated the activities performed for the Company by PricewaterhouseCoopers Accountants N.V. (PwC).

It is apparent that PwC is capable of forming an independent judgement concerning all matters that fall within the scope of its auditing task; there is a good balance between the effectiveness and efficiency of PwC's actions, for example in relation to auditing costs, risk management and reliability.

Mrs Kleinsman expresses her gratitude for the good audit work as performed again by PwC, this year under the leadership of Antoine Westerman who succeeded Mr Joris van Meijel.

The focus of the audit has been discussed and approved in the Audit Committee. The findings have been shared in an open and constructive manner among PwC, the company and the Audit Committee. Mrs Kleinsman confirms that she had a number of calls and meetings with Mr Westerman in support of his transition, and discussed his initial findings and observations in this transition process.

It was helpful that this transition took place early 2019, well in advance of the on-boarding of Bart Welten as the new CFO, and the appointment of Mr Moses as chairman of the Supervisory Board, providing balance in the continuity of the auditing process.

On this basis and considering the good work performed by PwC, the Supervisory Board, upon recommendation by its Audit Committee, proposes to reappoint PricewaterhouseCoopers Accountants N.V. as the external auditor for Avantium for the financial year 2020. Mrs Kleinsman hands over to the Chairperson.

The Chairperson thanks Mrs Kleinsman and confirms that no questions regarding this agenda item were raised and therefore wishes to continue with the agenda items 11 and 12.

Before continuing with these agenda items, the Chairperson announces the preliminary voting results:

<b>No.</b>	<b>Agenda item</b>	<b>Outcome Adopted/rejected</b>
3	Remuneration Report 2019 ( <i>advisory vote</i> )	<b>Adopted</b>
4	Adoption of the Annual Accounts 2019	<b>Adopted</b>
5 (a)	Discharge from liability of members of the Management Board for the performance of their duties in financial year 2019	<b>Adopted</b>
5 (b)	Discharge from liability of members of the Supervisory Board for the performance of their duties in financial year 2019	<b>Adopted</b>
6 (a)	Adoption of the remuneration policy of the Management Board	<b>Adopted</b>
6 (b)	Adoption of the remuneration policy of the Supervisory Board	<b>Adopted</b>
7	Appointment of Mr. B. Welten as a statutory member of the Management Board	<b>Adopted</b>
8	Appointment of Mrs M. Jou as member of the Supervisory Board	<b>Adopted</b>
9 (a)	Designation of the Management Board to issue up to 5% ordinary shares and to exclude pre-emptive rights in connection with the Company's long term incentive and share-based compensation plans	<b>Adopted</b>
9 (b)	Designation of the Management Board to issue up to 20% ordinary shares and to exclude pre-emptive rights	<b>Adopted</b>
9 (c)	Authorisation of the Management Board to repurchase shares up to 10% of the share capital of Avantium on behalf of Avantium	<b>Adopted</b>
10	Appointment of PricewaterhouseCoopers Accountants N.V. as external auditor for the financial year 2020	<b>Adopted</b>

The Chairperson concludes that all resolutions tabled for this Meeting have been adopted. After the meeting, the final detailed voting results will be published on [Avantium's website](#).

The Chairperson observes that there are no further questions or comments.

#### **11. Any other business**

The Chairperson asks Mrs Portocarero if any further questions are received. Mrs Portocarero confirms that no further questions are raised and therefore the Chairperson closes this agenda item.

## **12. Closing**

Prior to closing this meeting, the Chairperson personally thanks all shareholders for their support during 2019 and their continued support and engagement which they have demonstrated during this challenging start to 2020, where everyone is working under the COVID-19 shadow. It has been very encouraging to see the shareholders' degree of participation at this Meeting in the voting process for which Avantium is very grateful and which is critical in ensuring the company's correct governance.

The Chairperson furthermore pays tribute to the management and employees of Avantium who have shown wonderful commitment and courage, also in these uncertain COVID-19 times. He emphasises that this reflects very positively on the quality of the people Avantium is fortunate enough to have.

With that, the Chairperson wishes that all attendees stay safe and healthy. He sincerely looks forward to seeing the attendees in person at next year's meeting.

The Chairperson declares this annual general meeting of Avantium closed. He thanks everyone for his or her (virtual) participation.

As mentioned before, the final detailed voting results will be published on [Avantium's website, as well as](#) a separate Q&A-list ("[Questions Shareholders Avantium AGM 2020, date 14 May 2020](#)").

The minutes will be published in due course.

*[Signature page follows]*

*- Signature page Minutes Annual General Meeting of Avantium N.V. 2020 -*

These minutes are adopted by the Chairperson and the Secretary on [...] and as evidence thereof are signed by them.

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Name: Mr Moses

Title: Chairperson

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Name: Mrs Portocarero

Title: Secretary