

Avantium N.V Annual General Meeting 2024

Type of meeting	Annual General Meeting (AGM)
Datum	14:00h CET, May 15, 2024
Locatie	Muziekgebouw aan 't IJ, Piet Heijnkade 1, 1019BR Amsterdam, Netherlands
Speaker	Lucas Van Beek (Robeco)
Opt-in members	N.A.
Attendance AGM	33.08% of outstanding share capital

Agenda item	Proposal Text	Vote decision	Vote result (% For)
1	Opening		N.A.
2	Annual Report for the financial year 2023		N.A.
3	Corporate governance structure and compliance		N.A.
4	Remuneration Report 2023 (advisory vote)	For	98.52%
5	Adoption of the Annual Accounts 2023 (voting item)	For	99.90%
6	Discharge from liability of members of the Management Board for the performance of their duties in financial year 2023 (voting item)	For	99.83%
7	Discharge from liability of members of the Management Board for the performance of their duties in financial year 2023 (voting item)	For	99.83%
8	Proposal to adjust strike price ESOP and number LTI entitlements Management Board (voting item)	Against	87.50%
9	Proposal to adopt the Management Board Remuneration Policy (voting item)	For	98.66%
10	Proposal to adopt the new LTIP (PSU Plan) (voting item)	For	97.55%
11	Proposal to adopt the Supervisory Board Remuneration Policy (voting item)	For	99.15%
12	Proposal to adopt the RSU Plan (voting item)	For	99.12%
13	Re-appointment of Mrs. M. Jou (voting item)	For	99.39%
14.a	Designation of the Management Board to issue: up to 8% ordinary shares and to exclude pre-emptive rights for general corporate purposes (voting item)	For	99.60%
14.b	Designation of the Management Board to issue: up to 2% ordinary shares and to exclude pre-emptive rights in connection with the Company's long term incentive and share-based compensation plans for employees, management team and Management Board (voting item)	For	99.60%
15	Re-appointment of PricewaterhouseCoopers Accountants N.V. as external auditor for the financial year 2024 (voting item)	For	97.21%
16	Any other business (including Q&A)		N.A.
17	Closing		N.A.

Agenda item 8: Proposal to adjust strike price ESOP and number LTI entitlements Management Board

My name is Lucas van Beek, and I work for Robeco's Active Ownership team.

I want to start by thanking Avantium for the constructive and insightful dialogue we engage in for several years now. We appreciate Avantium's willingness to have open discussions and to seek our feedback around strategy, governance and sustainability topics. Besides that, we compliment the company for its efforts in transitioning the business from an R&D company to a commercial organization. Today, there are three topics we wish to address and inquire about.

Regarding agenda item 8, we understand the context of this proposal and that Avantium wants to create fair and positive incentives across the company. We also understand the Supervisory Board is looking to compensate broader participants of the ESOP. However, as management had direct influence on and responsibility for keeping the FDCA Flagship Plant construction on track in terms of costs and schedule, we are ultimately not convinced by the necessity to approve the repricing of stock options and increase the number of LTIP shares for the Management Board (MB). Has there been any consideration from the Remco, to opt for a different approach for the MB and those under the plan who had a lesser degree of influence on the outcome?

Avantium thanked Robeco for the question and stated to understand our point of view. However, the company also stated to continue to believe it is the right thing to do, and in line with market practice, as pointed out by the external advisor. Moreover, the Chair of the Remuneration Committee emphasized the company is not trying to repair the dilution disadvantage but rather the disadvantage of not being able to participate in the rights. In addition, the supervisory board stated to intent to avoid a loss of motivation in case the adjustment would not have been proposed. Therefore, if approved at today's meeting, the company will adjust the strike price of the ESOP and number of LTI entitlements for all participants.

Agenda item 9: Proposal to adopt the Management Board Remuneration Policy

First of all, I like to compliment Avantium for the efforts taken to put forward today two new remuneration policies. It is clear to us the Management Board Remuneration Policy has been carefully considered through the support of an external advisor and broad stakeholder engagement. We believe the proposal is reasonable and the policy shows a positive direction of travel, reflecting a maturing company. Although we are in support of this proposal, I would like to address one point we like to see improved over the coming years.

We understand it is difficult to predefine targets as Avantium is "fast approaching the greatest inflection point in history". However, we would have preferred the long term variable performance awards to be at least partially subject to a formulaic structure, e.g. through the inclusion of a relative performance metric around total shareholder return. In order to mitigate our concerns related to the underpins that have currently been shared, will Avantium

disclose retrospectively the underlying performance assessed to determine the vesting of LTIP awards? And secondly, is Avantium committed to ultimately replace the underpins with quantifiable performance targets?

The Chair of the Remuneration Committee thanked Robeco for the recognition of Avantium's team, who worked hard to put forward a new remuneration policy for the management board. Besides that, the Chair thanked Robeco for the feedback and suggestions that were shared during earlier engagement dialogues. Avantium stated that while the company continues to improve the transparency of its pay practices, it is at this point not appropriate to disclose pre-defined performance goals. However, the company committed to introduce more transparency around financial goals in the coming years. Moreover, Avantium confirmed to disclose the performance assessment that was made for the vesting of this year's PSUs retrospectively.

Agenda item 10: Proposal to adopt the Supervisory Board Remuneration Policy

As with the Management Board Remuneration Policy, we believe the proposed remuneration policy for the Supervisory Board shows a positive direction of travel. While we still would have preferred alignment with the Dutch corporate governance code (shares and rights/options to shares are not part of the remuneration of a member of the Supervisory Board), we prefer the proposed restricted share units over the stock options that are currently in place. Therefore, we will support this item. However, I do like to address and inquire about the quantum of incentives upon appointment. Currently the policy prescribes a number of restricted shares rather than a monetary amount. While a significant increase in share price would only be welcomed, it could result in a disbalance between compensation in fixed fees and shares upon appointment.

In such a scenario, will Avantium include an amendment to update the remuneration policy for supervisory board members to include a maximum amount of share value Supervisory Board members are eligible to receive upon appointment, either in absolute monetary terms or as a percentage to the fixed fees?

The concern raised by Robeco had been considered by the Remuneration Committee. However, ultimately it was decided to continue with the policy as proposed and commit to review the number of restricted shares in case the share price significantly increases.

Additional comment Robeco: In order to prevent discussions around incentives for supervisory board members upon appointment keep dragging on, it would be beneficial to proactively amend the policy and include guidelines around share price increases and the number of restricted shares in advance.

The Chair of the Remuneration Committee thanked Robeco for its suggestion, stated to understand our argument and shared to look forward to further discuss this and other points of attention after the shareholder meeting.