



MINUTES ANNUAL GENERAL MEETING OF SHAREHOLDERS OCI N.V.

In compliance with article 4.1.10 of the Dutch Corporate Governance Code, shareholders have been offered the opportunity to comment on the minutes during a three months period.

Date: 24 May 2017

Location: Conservatorium Hotel, Van Baerlestraat 27, 1071 AN Amsterdam, the Netherlands

Board members present:

Michael Bennett (Chairman), Nassef Sawiris (CEO), Hassan Badrawi (acting CFO), Jan Ter Wisch, Sipko Schat, Jérôme Guiraud, Gregory Heckman, Robert-Jan van de Kraats and Anja Montijn.

1. Opening and announcements

The Chairman of the Board of Directors of OCI N.V., Michael Bennett, opens the Annual General Meeting of Shareholders of OCI N.V. and welcomes all attendees on behalf of the Board of Directors.

The Chairman observes that the notice convening the annual general meeting was posted on 12 April 2018 on OCI's corporate website (www.oci.nl) and that 26 April 2018 was the record date for the annual general meeting. The Chairman establishes that the full agenda including explanatory notes, the Annual Report and the Annual Accounts were made available at the offices of OCI N.V. and were made accessible via the company's website.

The Chairman reports that the number of voting rights attached to the issued shares in the capital of OCI N.V. amounted to 209,174,817 as of the record date and that number has not changed since then. The Chairman notes that shareholders present or represented at this Annual General Meeting of Shareholders represent 170,055,053 ordinary shares, representing 81.30% of the issued share capital.

The Chairman informs the meeting that Joyce Leemrijse, civil law notary in Amsterdam, is present at the meeting, as well as the auditors, Marten Meester and Han van Delden of KPMG.

The convening notice stated that shareholders unable to attend the meeting could issue voting instructions to an independent third party, Joyce Leemrijse, civil notary in Amsterdam. She received proxies representing a total of 170,054,831 ordinary shares.

The Chairman designates Maud de Vries, Corporate Secretary of OCI N.V., as secretary to the meeting to take minutes of the matters discussed at the meeting. The meeting is held in English and recorded on audiotape for the purpose of minute-taking and broadcasting of the meeting on OCI's corporate website.

The Chairman explains shareholders are invited to ask questions about agenda items 2 through 18. Before starting on agenda item 6, which will be the first voting item, there will be the possibility to ask questions. Questions may also be asked at the Q&A session after the meeting. During the voting on agenda items 6 through 18 no questions will be entertained.



The Chairman establishes that the requirements relevant to the convening and holding of a general meeting of shareholders have been met and therefore the meeting can validly resolve on all matters.

- 2. Report by the Board of Directors for the financial year 2017**
- 3. Corporate governance structure and compliance with Dutch corporate governance code.**
- 4. Implementation of the Remuneration Policy in 2017**

The Chairman suggests to combine agenda items 2, 3 and 4 and gives the floor to Mr Sawiris.

Mr Sawiris highlights how pleased OCI is that it continued its outstanding safety track record throughout 2017. Four out of seven operating plants achieved zero recordable injury rates and five had zero lost time injury rates during the year. OCI has now achieved a reduction of 64% of its total recordable injury rates over the last four years, outperforming the industry significantly.

Mr Sawiris thanks all employees for their continued effort in maintaining a safe and healthy working environment. Safety remains OCI's number one priority, and OCI continues to target zero incidences every year.

Operationally, OCI produced a record amount of nitrogen fertilizers and industrial chemicals in 2017, with some outstanding results at OCI's facilities in Egypt and the Netherlands, more than offsetting some delay to the ramp-up of OCI's greenfield facility IFCo in the United States and the partial shutdown of OCI's plant in Algeria during 2017. Overall own-produced sales volumes rose by 20% during 2017. Mr Sawiris notes he is particularly pleased that OCI achieved this growth in a difficult year for fertilizers, with prices reaching multi-year lows during the summer of 2017. Markets for OCI's industrial chemicals were healthy and went from strength to strength throughout the year, benefiting OCI's results. This shows the positive impact of OCI's increasingly diversified product portfolio, equally balanced between fertilizers and industrial chemicals.

Mr Sawiris continues that OCI has started 2018 well and OCI enjoyed a significant improvement in performance during the first quarter. OCI's own-produced sales volumes increased by 33%, EBITDA almost doubled and Mr Sawiris notes he is particularly pleased that OCI generated a healthy level of free cash flow of \$120 million during the first quarter of 2018. He adds that this performance was driven by healthy utilization rates across all OCI's assets and higher realized selling prices for all OCI's products in the first quarter of 2018 compared to the first quarter last year.

Mr Sawiris continues that if he looks ahead, following the start of production in Iowa in 2017, OCI is now in the final stage of its ambitious capital expenditure and capacity roll-out program. Once completed this year, OCI will have grown from a single urea plant 10 years ago into a globally diversified low-cost producer of nitrogen fertilizers and industrial chemicals.

Mr Sawiris informs the meeting that OCI expects its two remaining growth projects to start production this year: Natgasoline in the United States within days from now, and BioMCN's second methanol line during the fourth quarter this year. As a result of these start-ups, OCI expects its methanol group's capacity to reach 2.8 million metric tons by the end of 2018, effectively doubling the methanol asset footprint and positioning it selves as one of the largest merchant methanol producers globally. This capacity growth comes against a backdrop of an increasingly promising outlook for OCI's end markets for



both fertilizers and industrial chemicals.

Mr Sawiris continues looking at the fertilizer markets, OCI is seeing a number of positive trends emerging for the nitrogen fertilizer markets. Firstly, for the first time in a number of years, OCI sees grain fundamentals improving, which should start giving good support for demand for fertilizers. Secondly, OCI has seen strong demand in high growth regions this year, in particular in East Africa, a trend that OCI expects to continue going forward. OCI's plants are well-positioned to export to this region. Thirdly, OCI continues to have the view that nitrogen supply additions have already peaked in 2017 and that new additions will be below incremental demand over at least the next four years. Finally, exports from China continue to drop and OCI expects urea exports from China to remain at low levels going forward if at all. Turning to industrial chemicals, OCI believes that each of its industrial chemicals markets, methanol, melamine, diesel exhaust fluid and industrial ammonia, has a favorable outlook. Methanol markets have been growing at rates of 8% to 10% on average historically and OCI believes the outlook remains positive. OCI has good visibility into the next four to five years and expects limited new major capacity additions to come to market relative to expected continuing solid demand growth in the high single digits.

Finally, Mr Sawiris informs the meeting diesel exhaust fluid has been an exciting recent addition to OCI's industrial chemicals portfolio following the startup of IFCo in 2017. Diesel exhaust fluid is a fast growing and high-margin product which has been growing at rates above 20% and is expected to maintain high growth rates in the U.S., Europe, and in China.

In conclusion, the first-quarter results support OCI's expectation that OCI is on the right track to achieve a significant step up in free cash flow generation and deleverage OCI's balance sheet by building up to our run rate volumes.

Mr Badrawi continues to present the highlights of OCI's annual results 2017.

Mr Badrawi first gives some highlights of OCI's income statement for the full year 2017. OCI's revenues increased by 18% in 2017 compared to 2016 and reached \$2.25 billion. The 2017 adjusted EBITDA increased by 36% to \$634 million, which we have adjusted in particular for the shutdown in Algeria and for the reduced volumes at EBIC in Egypt during the first half of the year. OCI reported a net loss of \$104 million for 2017, compared to a net profit of \$168 million in 2016. The adjusted net loss amounted to \$27 million in 2017 compared to a net profit of 22 million in 2016.

Mr Badrawi notes to be pleased to report that we witnessed a strong improvement in the first quarter of 2018. Because of the 33% increase in volumes and higher selling prices in the first quarter of 2018, revenue increased by 57% to \$745 million and EBITDA by 95% to \$252 million. OCI also reported an increase in adjusted EBITDA of 44% to \$255 million. At the bottom line, Mr Badrawi notes he is pleased to report that OCI had a swing back into profits from a net loss attributable to shareholders of \$47 million in the first quarter last year to a net profit of \$25 million in the first quarter of 2018.

Mr Badrawi continues with respect to OCI's cash flow statement, OCI also achieved, as Mr Sawiris mentioned earlier, healthy free cash flow of \$120 million in the quarter before growth capex and \$38 million of negative currency effects. This represents a conversion rate of about 48% of OCI's reported EBITDA. We believe OCI is among the best in class going forward in free cash flow conversion. The free cash flow was boosted by the meaningful increase in EBITDA and low capital expenditure, which was \$43 million during the quarter.



Mr Badrawi explains going forward, it is expected total capital expenditure to remain low. For 2018, it is expected to be in the range of \$250 to \$300 million, of which \$150 to \$200 million is maintenance capex and the balance is dedicated to remaining growth capex, primarily for the refurbishment of BioMCN's second methanol line. It is worth highlighting that more than 50% of total capital expenditure this year is for turnarounds, investments and optimization projects in the Netherlands. For 2019 and beyond, total capital expenditure is expected to be in the range of \$150 to \$200 million on a run-rate basis.

Mr Badrawi then moves on to the balance sheet. Optimizing capital structure through lowering cost of debt and extending maturities has been a primary objective for OCI. Mr Badrawi notes to be pleased that we have achieved these objectives following several refinancing transactions that we successfully completed between January and May this year. This includes the completion of a well-oversubscribed landmark debut bond issue of \$1.2 billion in April. Just over 55% of the issuance was in \$, the rest in €. Mr Badrawi is also pleased to say that for the first time, in conjunction with this bond issue, OCI N.V. obtained corporate credit ratings from the three leading international rating agencies.

Mr Badrawi continues to mention in April, OCI also refinanced \$1.1 billion through a new revolver and term-loan facility, which can be drawn in US dollars or Euro's. A few weeks ago, OCI also successfully concluded the buyback of the outstanding \$339 million convertible bond.

Finally, Mr Badrawi informs the meeting, earlier this month, OCI closed the refinancing of the existing debt facilities at Egyptian Fertilizer Company for a total equivalent of \$445 million. The transaction has received extremely healthy demand from commercial banks, both local and regional. It also included a participation of \$100 million from the International Finance Corporation, part of the World Bank, and \$60 million from the European Bank for Reconstruction and Development. This was the last piece of important refinancing activity for OCI. With the capital restructuring program now complete, OCI does not have any major maturities in the near future and have meaningfully extended its average maturity profile.

OCI has lowered average cost of debt this year already by up to 35 bps but expects more meaningful gains through expected step-down provisions as deleveraging continues. OCI has reduced the sensitivity to rising interest rates due to increasing the proportion of fixed rate debt from previously 26% to around 50% of total debt and to just over 75% of U.S. denominated debt following the refinancing.

Mr Badrawi concludes as demonstrated in the first quarter results, OCI is starting to experience a step up in operational and financial performance, putting OCI on the right path to achieve a healthy trajectory for deleveraging as OCI continues to target an investment grade profile.

The Chairman continues with corporate governance. 2017 was the first financial year during which the revised corporate governance code of the Netherlands had to be applied. In comparison the new code has increased focus on amongst others:

1. Long-term value creation;
2. Reinforcement of risk management; and
3. Effective management and supervision.

OCI is committed to the principles of good corporate governance and the Board believes that good corporate governance practices align the interests of all stakeholders by having structures in place that ensure the business is managed with integrity and efficiency. The only deviations from the new Corporate Governance Code that OCI makes are in relation to:



1. Instead of the more common term of 4 years, OCI proposes the appointment of its board members for terms of 1 year. Our underlying aim however remains to ensure continuity and the objective is not to have a high turnover but rather to retain flexibility.
2. During previous years we have not provided a webcast of our AGM. I am pleased to confirm that this is the first year in which our AGM is available through a webcast on our website.
3. Although we have a diverse board based on nationality, geographical location and education we unfortunately remain below target in terms of gender diversity. We are very happy with the addition of Mrs Montijn in 2016 and hope to achieve a better gender balance over the coming years. As soon as a vacancy arises, we will strive to find the most suited candidate with a focus on female candidates. The CFO vacancy was fulfilled with an internal candidate following a due process during which external candidates were also considered. We also focus on adding more female managers at mid-level to increase chances of our internal pipeline delivering female senior managers.

The Chairman notes that there are no further questions and proceeds with item 5 of the agenda.

5. Explanation of the Dividend Policy

The Chairman then gives the floor to Mr Badrawi to give an explanation on the dividend policy.

Mr Badrawi explains that OCI has a flexible dividend policy designed to balance the availability of funds for dividend distribution with focus on deleveraging to achieve optimal capital structure. Accordingly, as the company is near completion of its extensive capital expenditure program, the Board of Directors has not announced a dividend for financial year 2017.

The Chairman notes that there are no further questions and proceeds with item 6 of the agenda.

6. Proposal to adopt the Annual Accounts 2017 and allocate the profits (*resolution*)

The Chairman gives the floor to Mr Van de Kraats (chairman of the Audit Committee) with regard to the adoption of the 2017 annual accounts.

Mr Van de Kraats informs the meeting that the Audit Committee met five times and addressed a broad range of issues, where specific attention was given to the selection of the new CFO, Risk Management and Internal Controls, IT and IT security, In-control statement and underlying in-control situation, Related Party Transactions, Tax review and policy, Going concern analysis in the context of the Company's expertise in financing, Litigation and an assessment of the functioning of the external auditor, its appointment, including scope, risk analysis and materiality. One Audit Committee meeting was dedicated to mapping and discussing the strategic risks and internal controls.

Mr Van de Kraats informs the meeting that the underlying risk assessment, scope and materiality of the 2017 audit engagement has been discussed in detail by the Audit Committee with the auditor. KPMG's most important findings have been evaluated and were reported to the Board of Directors. These are also covered by our board report on risk management and compliance and in the auditors opinion on the 2017 financial statements. We will follow up on those in 2018. In advance of every Audit Committee meeting the Chairman of the Audit Committee had a preparatory meeting with the external and internal auditor to ensure that all relevant issues are addressed with sufficient time. The profits that were made during the financial year 2017 will be added to the reserves of the Company in line with the Company's



policy on reserves and dividend as explained under agenda item 5.

Mr Meester (*KPMG Accountants N.V.*) informs the meeting that KPMG audited the financial statements of OCI. KPMG issued an unqualified opinion which is included in the annual report, on page 185. The annual report reflects the materiality, scoping and key audit matters. The materiality was set at 12 million USD. Key audit matters were the valuation of goodwill and group liquidity risk.

The Chairman explains the voting procedure and then puts the proposal to adopt the Annual Accounts 2017 and allocate the profits to a vote. The Chairman informs the meeting that 100% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

The Chairman then informs the shareholders again they now have the opportunity to ask any questions about all individual voting items. Also there will be time to ask questions under item 19. Noting that no questions are raised the Chairman continues with voting items 7 through 18.

7. Proposal to discharge the Executive Directors from liability (*resolution*).

The Chairman proposes to the meeting to discharge all Executive Directors, including Mr. Salman Butt for his period as Executive Director, from all liability in relation to the exercise of their duties in the financial year 2017, to the extent that such exercise is apparent from the Annual Accounts 2017 or otherwise disclosed to the General Meeting prior to the adoption of the Annual Accounts 2017.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 100% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

8. Proposal to discharge the Non-Executive Directors from liability (*resolution*).

The Chairman proposed to the meeting to discharge all Non-Executive Directors from all liability in relation to the exercise of their duties in the financial year 2017, to the extent that such exercise is apparent from the Annual Accounts 2017 or otherwise disclosed to the General Meeting prior to the adoption of the Annual Accounts 2017.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 100% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

9. Proposal to reappoint Mr Nassef Sawiris as Executive Director (*resolution*)

The Chairman proposed to the meeting to reappoint Nassef Sawiris with title CEO, for a period of 1 year ending at the end of the annual general meeting to be held in 2019 (the **AGM 2019**), such in accordance with the rotation schedule for board members to (re)appoint board members for a term of 1 year.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 99.89% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

10. Proposal to appoint Mr Hassan Badrawi as Executive Director (*resolution*)

The Chairman notes on 6 September 2017, OCI N.V. publicly announced via a press release that it will propose to appoint Mr Hassan Badrawi as an executive member of the Board replacing Mr Salman Butt.



As indicated in the explanatory notes to agenda item 10, it is proposed to appoint Mr Badrawi with title Chief Financial Officer, for a period of 1 year ending at the end of the AGM 2019, such in accordance with the rotation schedule for board members to (re)appoint board members for a term of 1 year.

Mr Badrawi informs the shareholders about his background. He is with the company for 17 years, served in various capacities which gives a quite unique insight into the Company's asset base, its strategy and its people. He is looking forward to continue to contribute to the success of OCI.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 99.92% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

11. Proposal to reappoint Mrs Anja Montijn as Non-Executive Director (*resolution*)

The Chairman proposes to the meeting to reappoint Anja Montijn as an independent Non-Executive member of the Board of Directors, for a period of 1 year ending at the end of the AGM 2019, such in accordance with the new rotation schedule for board members to (re)appoint board members for a term of 1 year.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 99.92% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

12. Proposal to reappoint Mr Sipko Schat as Non-Executive Director (*resolution*)

The Chairman proposes to the meeting to reappoint Sipko Schat as a Non-Executive member of the Board of Directors, for a period of 1 year ending at the end of the AGM 2019, such in accordance with the new rotation schedule for board members to (re)appoint board members for a term of 1 year.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 99.92% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

13. Proposal to reappoint Mr Jérôme Guiraud as Non-Executive Director (*resolution*)

The Chairman proposes to the meeting to reappoint Jérôme Guiraud as a Non-Executive member of the Board of Directors, for a period of 1 year ending at the end of the AGM 2019, such in accordance with the new rotation schedule for board members to (re)appoint board members for a term of 1 year.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 99.57% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

14. Proposal to reappoint Mr Robert Jan van de Kraats as Non-Executive Director (*resolution*)

The Chairman proposes to the meeting to reappoint Robert Jan van de Kraats as a Non-Executive member of the Board of Directors, for a period of 1 year ending at the end of the AGM 2019, such in accordance with the new rotation schedule for board members to (re)appoint board members for a term of 1 year.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 99.92% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.



15. Proposal to extend the designation of the Board of Directors as the authorised body to issue shares in the share capital of the Company (*resolution*)

The Chairman proposes to extend the designation of the Board of Directors as the authorised body to issue shares and to grant rights to subscribe for shares as provided for in article 6 of the articles of association of the Company for a period of 18 months, starting from the date of this annual general meeting of shareholders, in order to ensure continuing financial flexibility.

The number of shares to be issued as of this annual general meeting of shareholders shall be limited to:

- a maximum of 10% of the capital at the time of issue;
- plus 10% of the capital if the issuance or the granting of rights occurs within the context of a merger or an acquisition;
- plus 1% of the capital if the issuance or the granting of rights occurs for the purpose of the Performance Share Plan, the Bonus/Matching Plan, and Employees Incentive Plan.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 99.63% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

16. Proposal to extend the designation of the Board of Directors as the authorised body to restrict or exclude pre-emptive rights upon the issuance of shares (*resolution*)

The Chairman proposes to extend the designation of the Board of Directors as the authorised body to restrict or exclude pre-emptive rights upon the issuance of shares or the granting of rights to subscribe for shares as provided for in article 7 of the articles of association of the Company for a period of 18 months, starting from the date of this annual general meeting of shareholders.

The authority will be limited to a maximum of 10% of the capital at the time of issue, plus 10% of the capital if the issuance or the granting of rights occurs within the context of a merger or an acquisition.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 98.69% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

17. Proposal to authorise the Board of Directors to repurchase shares in the share capital of the Company (*resolution*)

The Chairman proposes to authorise the Board of Directors to repurchase shares on the stock exchange or through other means, for a period of 18 months from the date of this annual general meeting of shareholders, up to a maximum of 10% of the issued capital.

The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 99.99% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

18. Proposal to appoint KPMG as auditor charged with the auditing of the annual accounts for the financial year 2018 (*resolution*)

The Chairman proposes to instruct KPMG Accountants N.V. to audit the annual accounts for the financial year 2018.



The Chairman then puts the proposal to a vote. The Chairman informs the meeting that 100% of the votes were cast in favour of the resolution and then determines that the resolution is adopted.

19. Questions and close of meeting.

The Chairman continues with the final agenda item and gives the floor to shareholders to ask questions about other matters not yet covered by the agenda.

Mr Van Riet notes OCI has a lot of different businesses and questions whether it would make sense to split the Company into 3 or 4 independent units?

Mr Sawiris explains that, at this stage we are happy that this diversified portfolio gives OCI a platform that is well balanced. Right now, we can see fertilizer prices are still quite low, yet OCI is making good results driven by the chemical, methanol side. Some might argue differently but given our recent experience there are benefits having everything under one roof.

The Chairman notes that there are no further questions. He thanks all shareholders for attending the meeting.