

Andrew Ninian
The Investment Association
Camomile Court
23 Camomile Street
London
EC3A 7LL

7 December 2022

Dear Andrew,

Update in relation to 2022 Annual General Meeting (“AGM”) Resolutions

In the Ferrexpo Plc (the “Company” or the “Group”) 2022 AGM Statement, Results of AGM the Company noted that the total votes in favour of the following resolutions were below 80%:

- Resolution 6: to re-elect Ann-Christin Andersen
- Resolution 9: to re-elect Vitalii Lisovenko
- Resolution 10: to re-elect Fiona MacAulay
- Resolution 12: to re-elect Kostyantyn Zhevago

Following the AGM, the Company’s Board of Directors (“Board”) has proactively sought to engage with a significant number of the Company’s largest shareholders, in accordance with Provision 4 of the UK 2018 Corporate Governance Code (the “Code”).

In line with the recommendations of the Code, the Board provides below an update on the views received during a shareholder engagement and feedback process conducted following the AGM, and the actions that the Board has taken. Feedback was received directly from shareholders, as well as through engagement with a leading proxy advisor.

Resolution 6, to re-elect Ann-Christin Andersen

In its 2022 AGM results announcement, the Board noted there was a significant minority vote against resolution 6 relating to the re-election of Ann-Christin Andersen, Non-Executive Director. Total votes received in favour of this resolution were 76.35%.

Following the AGM result, the Board actively sought to engage with significant shareholders who voted against Ms Anderson's re-election to better understand their voting decision and concerns around a perceived "over-boarding".

The Board believes that Ms Anderson continues to have the capacity to fully discharge her role at Ferrexpo Plc effectively. In addition to her role at Ferrexpo, Ms Anderson holds publicly listed company roles as non-executive chair of Quantafuel AS and as a non-executive director at Rotork Plc. On 15 November 2022, Ms Anderson stood down as a non-executive director of The Drilling Company of 1972 AS ("Maersk Drilling") following its merger with Nobel Corporation.

The Board is satisfied with Ms Anderson's attendance and believes she is able to devote appropriate time to Ferrexpo's business.

Resolution 9, to re-elect Vitalii Lisovenko

The Board understands that the votes cast against Mr Vitalii Lisovenko at the AGM with shareholders voicing concerns that insufficient progress had been made by the Company to address corporate governance matters that emerged during 2019. The Board also notes concerns raised during meetings in 2022 regarding the internal review that was concluded in 2019 and the Company continues to enhance procedures and internal controls as part of the process of improving the overall corporate governance framework within the Company.

The Board explained in the 2022 Notice of Annual General Meeting the reasons why we believe it is important and in the best interests of shareholders to support the re-election of Mr Lisovenko. He performs the important role of providing an independent view on socio-political developments in Ukraine that have the potential to impact our business. Ukraine is a country classified by rating agencies as having substantial risks, and as such, the Group's Board of Directors ("Board") manages a variety of in-country risks, including the Russian invasion of Ukraine and counterparty risks in areas such as payments to local third parties, recovery of VAT, the requirement to prepay corporate profit tax and the management of legal and other related claims, amongst others.

Given the international nature of Ferrexpo Plc, as a UK listed plc, headquartered in Switzerland with our production based exclusively in Ukraine, it is of critical importance for the Company, and shareholders alike, to have at least one independent Non-executive Director with a background and experience of Ukraine.

In light of the Russian invasion of Ukraine, it is now, more than ever, strategically important to monitor the political, regulatory and financial landscape in our country of operation. Mr Lisovenko brings a wealth of experience in private sector government finance, and a particular expertise in debt negotiation. As such, his understanding of the Ukrainian Government, and its priorities and concerns, is invaluable to the Board in ensuring Ferrexpo retains its ability to trade and manage risks.

Given the current challenging times the world is experiencing in relation to the ongoing Russian invasion of Ukraine, energy and cost of living crisis, we consider it in the best interests of all stakeholders to ensure continuity and stability in our Board. In particular, we consider that Mr Lisovenko, as Non-executive Director Designate for workforce engagement, provides a pivotal role locally within Ukraine

Resolution 10, to re-elect Fiona MacAulay

In its 2022 AGM results announcement, the Board noted there was a significant minority vote against resolution 10 relating to the re-election of Fiona MacAulay, Senior Independent Non-Executive Director. Total votes received in favour of this resolution were 76.38%.

Following the AGM result, the Board actively sought to engage with significant shareholders who voted against Ms MacAulay's re-election to better understand their voting decision and concerns around a perceived "over-boarding".

The Board believes that Ms MacAulay continues to have the capacity to fully discharge her role at Ferrexpo Plc effectively. In addition to her role at Ferrexpo, Ms MacAulay holds publicly listed company roles as non-executive chair of IOG Plc, non-executive director at Chemring Group Plc and Constain Group Plc.

The Board is satisfied with Ms MacAulay's attendance and believes she is able to devote appropriate time to Ferrexpo's business.

Resolution 12, to re-elect Kostyantyn Zhevago

The Board understands that the votes cast against Mr Zhevago largely related to the investigations involving Mr Zhevago and one of his former companies in Ukraine by the authorities in Ukraine.

As of October 2019, Mr Zhevago stepped down as Chief Executive Officer of Ferrexpo and has become a Non-executive Director. Mr Zhevago remains fully engaged with the Company and is at the disposal of the Board for his extensive understanding of both Ukraine and the iron ore pellet market.

The Board appreciates the time and effort that shareholders have provided in engaging with the Company during the course of 2022, and the Board will take into account the feedback received in relation to any future actions which may be taken. The Board will provide a final summary of any further feedback received in the upcoming 2022 Annual Report.

Yours sincerely,

Mark Gregory
Company Secretary
Ferrexpo Plc