

CORPORATE GOVERNANCE REPORT

Commitment to the Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance provides domestic stock corporations with a framework for the direction and control of enterprises. The Code aims to establish a system of management and control of companies and groups that is accountable and is geared to creating sustainable, long-term value. This is designed to increase the degree of transparency for all stakeholders.

The Code, which is accessible to the public at www.corporate-governance.at, is based on the provisions of the Austrian Stock Corporation Act, the Austrian Stock Exchange Act and the Austrian Capital Markets Act, the EU recommendations on the tasks of supervisory board members and on the remuneration of directors as well as on the principles set out in the OECD Principles of Corporate Governance. The present Corporate Governance report is based on the version established by the July 2012 revision of the Code.

The Code, which is based on the principle of voluntary adherence, was acknowledged and implemented by the Management Board and the Supervisory Board of AMAG Austria Metall AG for the first time in the fiscal year 2012. AMAG Austria Metall AG is thus committed to complying with the Austrian Code of Corporate Governance in its current version.

AMAG Austria Metall AG complies with all "L-Rules"¹. In addition, the company also complies with all "C-Rules", save for the two following exceptions.

Rule 27 (Conclusion of Management Board contracts): The variable remuneration components include only financial criteria and there is no upper limit for amounts for 2012.

Rule 51 (Disclosure of the remuneration of each individual Supervisory Board member): The company does not subscribe to the view that individualized information on the remuneration of Supervisory Board members provides

any added informational value to the persons addressed by the annual financial statements. It is in the personal discretion of each individual member of the Supervisory Board to disclose such information.

Composition of the Management Board and the Supervisory Board

Details concerning composition are summarized in this Corporate Governance report.

The composition of the Management Board remained unchanged from the prior year, and the contracts were renewed in correspondence with the publication of November 2012. On May 16, 2012, at the end of the shareholders' meeting resolving on the fiscal year 2011, the terms of office of any and all former shareholders' representatives on the Supervisory Board ended. The new composition was fixed at that same shareholders' meeting and, subsequently, the Supervisory Board was constituted. The terms of office of any and all shareholders' representatives of AMAG Austria Metall AG on the Supervisory Board shall end at the end of the shareholders' meeting that resolves on the fiscal year 2014.

No Supervisory Board member missed more than half of the meetings of the Supervisory Board during the preceding fiscal year.

Remuneration report for the Management Board and the Supervisory Board

There was no major change in the remuneration of the Management Board versus the prior year. The variable remuneration of the Management Board of AMAG Austria Metall AG in 2012 was oriented exclusively on financial criteria in the form of the operating performance. The ratio of the fixed components to the variable components of the total compensation of the Management Board was approximately 55% to 45%. Furthermore, two Managing Board members have company pension plans based on the defined-contribution model.

In 2012, the total remuneration of Gerhard Falch, Chairman of the Management Board, amounted to 1,141,824 EUR (thereof variable remuneration: 534,376 EUR). In 2012, the

¹ The Code of Corporate Governance provides for the following types of rules: "L-Rules" (= Legal), these are measures prescribed by law; "C Rules" (Comply or Explain), the reasons for non-compliance with which must be stated; "R-Rules" (Recommendations), these are recommendations and in the case of AMAG Austria Metall AG are very largely being complied with.

total remuneration of Dr. Helmut Kaufmann, member of the Management Board, amounted to 494,381 EUR (thereof variable remuneration: 217,176 EUR). In 2012, the total remuneration of Gerald Mayer, member of the Management Board, amounted to 494,381 EUR (thereof variable remuneration: 217,176 EUR).

In the context of the renewal of the Management Board contracts effective September 2013, a mixture of performance criteria including non-financial criteria was taken into account for two Management Board members as from 2013. Maximum limits for amounts were agreed with all Management Board members.

For two Management Board members, a change-of-control clause was included and it was agreed that in the event of the employment contracts with the Management Board members being terminated on these grounds the severance pay will be a single annual remuneration.

The company bears the costs of the Directors & Officers (D&O) insurance taken out.

The principles governing the remuneration of Supervisory Board members are laid down in the Articles of Association (Section 13) publicly disclosed on the homepage. Regarding the remuneration report for the Management Board and the Supervisory Board, please be also referred to the Notes to the annual financial statements of AMAG Austria Metall AG.

Information concerning the independence of Supervisory Board members

Any and all Supervisory Board members elected by the shareholders' meeting have confirmed that they regard themselves as independent based on the criteria fixed by the Supervisory Board (Rule 53). The criteria for independence as defined by the Supervisory Board conform to Annex 1 of the Code of Corporate Governance in all material respects.

Dr. Josef Krenner, Dr. Franz Gasselsberger, Dr. Sabine Seidler and Dr. Peter Uggowitz are four Supervisory Board members elected by the shareholders' meeting who are not

shareholders with a stake of more than 10% or members who represent such a shareholder's interests (Rule 54).

Committees of the Supervisory Board

The Supervisory Board is authorized by the Articles of Association to form committees from among its members and define the rights and duties thereof. Such committees can also be conferred decision-making competence. The employees' representatives on the Supervisory Board are entitled to nominate members to the committees at the ratio defined in sec. 110 para. 1 of the (Austrian) Arbeitsverfassungsgesetz, ArbVG (Labor Relations Act), who shall have voting and participation rights. This does not apply in the case of committees that deal with the relations between the company and the members of the Management Board.

The following committees have been established at AMAG Austria Metall AG:

Audit committee

The audit committee is responsible for the audit and preparation of the approval of the annual financial statements, of the proposal for the distribution of the profit, and of the management report. It shall also audit the consolidated financial statements and prepare a proposal for the selection of an auditor for the financial statements.

Members of the audit committee:

- Dr. Josef Krenner (Chairman)
- Dr. Michael Junghans (Deputy Chairman)
- Patrick Prügger (financial expert)
- Dr. Heinrich Schaller
- Maximilian Angermeier
- Robert Hofer

Nomination committee

The tasks of the nomination committee include succession planning, submitting proposals to the Supervisory Board for the filling of vacancies occurring on the Management Board and submitting proposals to the shareholders' meeting for the filling of vacancies occurring on the Supervisory Board. On the subgroup level, the committee has to consent to the appointment and revocation of the appointment of managing directors.

Members of the nomination committee:

- Dr. Josef Krenner (Chairman)
- Dr. Michael Junghans (Deputy Chairman)
- Dr. Heinrich Schaller
- Dr. Sabine Seidler
- Maximilian Angermeier
- Robert Hofer

Remuneration committee

The remuneration committee is responsible for defining, concluding, amending and terminating employment contracts with members of the Management Board. It also regularly reviews the remuneration policy.

Members of the remuneration committee:

- Dr. Josef Krenner (Chairman)
- Dr. Michael Junghans (Deputy Chairman)
- Dr. Heinrich Schaller
- Dr. Sabine Seidler

Number and material contents of the meetings of the Supervisory Board and its committees

In the fiscal year 2012 the Supervisory Board of AMAG Austria Metall AG discharged the obligations incumbent on it under the law and the Articles of Association in the course of five ordinary meetings and one extraordinary meeting of the Supervisory Board and three meetings of the audit committee. In addition to the ongoing reports on the current business and financial situation of the AMAG Group, these meetings especially dealt with issues relating to the "AMAG 2014 site expansion" strategic project, technical risk management (hedging), the Issuer Compliance rules, the budget for 2013, medium-term planning and the pre-audit of the 2012 annual financial statements.

The audit committee predominantly dealt with the preparation and audit of the company's consolidated and individual financial statements, the results of the internal audit for 2011 and the audit planning by the auditor of the 2012 financial statements as well as with the effectiveness and operating method of the internal control system and with specific accounting issues.

Advancement of women on the Management and Supervisory Boards and in management positions

The shareholders elected Dr. Sabine Seidler, Rector of the Vienna University of Technology, as the first female member of AMAG's Supervisory Board in May 2012. The total percentage of women in the AMAG Group in the fiscal year 2012 remained unchanged at about 12%. The share of female apprentices was about 21%.

No express "proportions of women" are provided for in any of the AMAG Group companies. The underlying reasons for this percentage remaining low compared to other sectors of the economy are mainly industry-based.

AMAG is committed to the principle of equal opportunities at the workplace and takes a firm stand against any form of putting female employees at a disadvantage.

Issuer Compliance Ordinance

In accordance with the (Austrian) Börsegesetz (Stock Exchange Act) and the Emittenten-Compliance Verordnung (Issuer Compliance Ordinance) issued by the Austrian Financial Market Authority (FMA), a directive concerning "the principles for the passing on of information within the enterprise as well as concerning organizational measures for avoiding the abuse of inside information" was adopted. This directive is constantly updated.

A Compliance Officer and two Deputy Compliance Officers were appointed who are in charge of monitoring Compliance with the relevant provisions on an ongoing basis and report directly to the entire Management Board on matters of Compliance.

The duties of the Compliance Officer are moreover recorded in AMAG's internal control system, and performance of these duties is verified within that system on a regular basis. AMAG's employees receive ongoing training on the subject of Issuer Compliance. For that purpose, an IT-based compliance test was introduced this year.

In accordance with the provisions of the Stock Exchange Act and the Issuer Compliance Ordinance, any self-

dealing by the members of the Management Board and of the Supervisory Board in financial instruments of AMAG Austria Metall AG (Directors' Dealings) is published on the AMAG homepage and on the website of the Austrian Financial Market Authority (FMA).

In 2012 no violations of the Compliance Directive were ascertained.

Code of Ethics

The company's ethic standards are very high, and AMAG, as a leading enterprise in Upper Austria, is aware of the responsibility it has to society and to its business partners, employees and stockholders. The general framework for this was provided by the Code of Ethics of December 2011. In the year under review, 2012, numerous directives, such as the directives concerning hospitality and gifts, were updated. In the area of data protection, internal privileges and access rights are allocated based on the function performed.

Apart from complying with the relevant legal provisions, AMAG has established internal structures and an open corporate culture. This is designed to avoid abuse and misuse of or deviations from the Code of Ethics. Participation in the form of the employee foundation increases staff loyalty to the company and strengthens compliance with this code of conduct. One specific implementing measure taken in 2012 was putting in place the Code of Ethics for suppliers.

AMAG offers employees a communication pathway in the form of a Compliance Line allowing employees and business partners to report (potential) violations. In 2012, just as in 2011, no violations were reported via the Compliance Line.

Composition of the Management Board

Gerhard Falch

Chairman of the Management Board (Chief Executive Officer), born in 1948, appointed: February 18, 2011, first appointed at the predecessor company Austria Metall AG in September 2007, end of term of contract: March 2014, assigned functions in the Group: Strategy and Group Communication,

Investor Relations, Human Resources, Sales, Key Accounts, Purchasing, Service Department and Infrastructure, Chairman of the Supervisory Board of Energie AG OÖ (Linz), member of the Supervisory Board of VA Intertrading AG (Linz)

Dr. Helmut Kaufmann

Chief Operating Officer, born in 1963, appointed: February 18, 2011; first appointed at the predecessor company Austria Metall AG in September 2007, end of term of contract: August 2016, assigned functions in the Group: AMAG casting GmbH, AMAG rolling GmbH, Business Technology, Sales, Investment Planning, Occupational Safety, Management under trade law and Management Systems

Gerald Mayer

Chief Financial Officer, born in 1971, appointed: February 18, 2011; first appointed at the predecessor company Austria Metall AG in November 2007; end of term of contract: August 2016; assigned functions in the Group: financing, controlling and reporting, accounting, information technology, law, AMAG metal (manager) and AMAG service (manager)

Composition of the Supervisory Board as of December 31, 2012

Dr. Josef Krenner

born in 1952, Chairman of the Supervisory Board, Chairman of the audit committee, of the nomination committee and of the remuneration committee, first appointed: May 16, 2012, Finance Director of the Province of Upper Austria since 2000, member of the Supervisory Boards of B&C Industrieholding GmbH, voestalpine AG and Lenzing AG

Dr. Michael Junghans

born in 1967, Deputy Chairman of the Supervisory Board, Deputy Chairman of the audit committee, of the nomination committee and of the remuneration committee, first appointed: May 16, 2012, Chairman of the Supervisory Board of Lenzing AG, Deputy Chairman of the Supervisory Board of Semperit AG, Chairman of the Management Board of B&C Industrieholding GmbH since 2009

Dr. Heinrich Schaller

born in 1959, member of the Supervisory Board, member of the audit committee, of the nomination committee and of the remuneration committee, first appointed: May 16, 2012, Chairman of the Managing Board of Raiffeisenlandesbank Oberösterreich AG since 2012, Deputy Chairman of the Supervisory Boards of voestalpine AG (Linz) and Raiffeisen Bank International AG (Vienna)

Dr. Franz Gasselsberger

born in 1959, member of the Supervisory Board, first appointed: May 16, 2012, Chairman of the Supervisory Board of Bank für Tirol und Vorarlberg AG, member of the Supervisory Boards of BKS Bank AG and voestalpine AG, Chairman of the Management Board and CEO of Oberbank AG

Patrick F. Prügger

born in 1975, member of the Supervisory Board, member of the audit committee (financial expert), first appointed: May 16, 2012, member of the Supervisory Boards of Lenzing AG and Semperit AG, member of the Management Board of B&C Industrieholding GmbH since 2011

Otto Höfl

born in 1946, member of the Supervisory Board, appointed: March 21, 2011, re-appointed: May 16, 2012, representative of the AMAG Employees Private Foundation

Dr. Peter Uggowitzer

born in 1950, member of the Supervisory Board, first appointed: March 21, 2011, re-appointed: May 16, 2012, Professor at the ETH Zurich

Dr. Sabine Seidler

born in 1961, member of the Supervisory Board, member of the nomination committee and of the remuneration committee, first appointed: May 16, 2012, Rector of the Vienna University of Technology since 2011

Delegated by the Works Council**Max Angermeier**

born in 1958, member of the Supervisory Board, member of the audit committee and of the nomination committee,

delegated: April 14, 2011, Chairman of the Works Council of the Group

Robert Hofer

born in 1977, member of the Supervisory Board, member of the audit committee and of the nomination committee, delegated: December 31, 2011

Georg Schreiner

born in 1954, member of the Supervisory Board, delegated: April 14, 2011

Herbert Schützeneder

born in 1957, member of the Supervisory Board, delegated: April 14, 2011

Left with effect as of the shareholders' meeting held on May 16, 2012:**Dr. Hanno M. Bästlein**

born in 1963, Chairman of the Supervisory Board, member of the audit committee, appointed January 31, 2011, left: May 16, 2012, former Chairman of the Management Board of Constantia Packaging GmbH

Christopher von Hugo

born in 1963, Deputy Chairman of the Supervisory Board, member of the audit committee, appointed: January 31, 2011, left: May 16, 2012

Wolfgang Pfarl

born in 1944, member of the Supervisory Board, appointed: January 31, 2011; left: May 16, 2012, former CEO of Sappi Europe S.A.

Dr. Ludwig Scharinger

born in 1942, member of the Supervisory Board, first appointed: March 21, 2011, left: May 16, 2012, former CEO of Raiffeisenlandesbank Oberösterreich AG (Linz)

Thomas Spitzenpfel

born in 1962, member of the Supervisory Board, Chairman of the audit committee, appointed: March 21, 2011, left: May 16, 2012, member of the Management Board of Carl Zeiss AG