
DECLARATION CONCERNING THE AUSTRIAN CORPORATE GOVERNANCE CODE

The Austrian Corporate Governance Code provides domestic stock corporations with a framework for the management and supervision of companies. The Code aims to establish corporate governance and controlling that is oriented towards responsibility, as well as towards sustainable and long-term value creation. This in turn is intended to create a high degree of transparency for all stakeholders in the company.

The Code is publicly accessible at www.corporate-governance.at. The Code is based the guidelines of the Austrian Stock Corporation Act (UGB), the Stock Exchange Act and the Capital Market Act, European Union recommendations on tasks of supervisory board members and remuneration of management board members, and the principles of the OECD guidelines on corporate governance. It is based on a voluntary commitment. The Code was last revised in January 2018.

The Management and Supervisory Boards of AMAG Austria Metall AG recognised and implemented the Code in the 2019 financial year. AMAG Austria Metall AG is consequently committed to adhering to the Austrian Corporate Governance Code in its latest version.

The Corporate Governance Code contains the following rules:

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- > “L rules” (= legal), these are legally prescribed measures
 - > “C rules” (comply or explain), where a failure to comply must be explained
 - > “Our rules” (recommendations) are recommendations that AMAG Austria Metall AG largely follows
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AMAG Austria Metall AG adheres to all “L rules” and “C rules”.

Pursuant to Rule 62 of the Austrian Corporate Governance Code, compliance with the Code’s provisions should be evaluated externally on a regular basis, in other words, at least every three years. The last evaluation was conducted for the 2017 financial year. In accordance with Rule 62 of the Austrian Corporate Governance Code, the next external evaluation is planned for the 2020 financial year.

MANAGEMENT AND SUPERVISORY BOARDS’ WORKING METHODOLOGIES

AMAG Austria Metall AG is a public stock corporation established under Austrian law with a Management Board and a Supervisory Board as its management bodies (dualistic system).

The Management Board consisted of three members at the end of 2019. The Supervisory Board appoints the members of the Management Board.

The Management Board conducts business based on the law, the Austrian Corporate Governance Code, the bylaws and the rules of business procedure. These set out regulations for the collaboration between the Management Board members and the allocation of responsibilities. The Management Board members constantly exchange information with each other. At Management Board meetings, they discuss the current course of business, make decisions, and pass resolutions. Meetings are to be held at regular intervals, if possible at least every two weeks.

The Management Board informs the Supervisory Board about all relevant issues relating to financial and strategic business development. This includes the risk position and risk management of the company and significant Group companies. Information is provided promptly and comprehensively at regular meetings. Moreover, ongoing coordination occurs between the Supervisory Board Chairman and the Management Board Chairman (CEO).

The Supervisory Board supervises the company’s Management Board and supports it in the executive management of the company, especially in relation to decisions of fundamental significance.

COMPOSITION OF THE MANAGEMENT BOARD

In 2019, the following changes were made to the AMAG Austria Metall AG Management Board team. As of March 1, 2019, Mag. Gerald Mayer, previously Chief Financial Officer, took over as Management Board Chairman (Chief Executive Officer) of AMAG Austria Metall AG. On June 1, 2019, the team was expanded to include the new Sales Director Victor Breguncci, MBA.

	Mag. Gerald Mayer Chief Executive Officer, Chief Financial Officer	Priv.-Doz. Dipl.-Ing. Dr. Helmut Kaufmann Chief Operating Officer	Victor Breguncci, MBA Chief Sales Officer
Year of birth	> 1971	> 1963	> 1975
First appointed as Management Board member	> March 1, 2019: Appointment as Management Board Chairman (Chief Executive Officer) > February 18, 2011: Appointment as Chief Financial Officer > November 2007: Initial appointment to the predecessor company Austria Metall AG	> February 18, 2011: Appointment as Chief Operating Officer > September 2007: Initial appointment to the predecessor company Austria Metall AG	> June 1, 2019: Appointment as Chief Sales Officer
End of the current term of office	> December 31, 2022	> December 31, 2022	> May 31, 2022
Allocated Group functions	> Strategy, M&A, Organisation > Personnel > Communications > Investor Relations/Issuer Compliance > Purchasing > Legal > Controlling > Financial Accounting/Tax > Financial Management > Metals Management	> Production Rolling/Casting > Research/Corporate Technology > Innovation Management > Management Systems > AMAG Service GmbH > Information Technology	> Strategic Sales Development > Sales Rolling/Casting > Supply Chain Management > Marketing > Market Monitoring and Development
Supervisory board mandates at other companies	> none	> none	> none

COMPOSITION OF THE SUPERVISORY BOARD

At the AGM on April 10, 2019, Dr. Wolfgang Bernhard, Dipl.-Betriebswirt Peter Edelmann and Mag. Thomas Zimpfer were newly elected to the Supervisory Board of AMAG Austria Metall AG. The previous members Dr. Josef Krenner, Dr. Hanno M. Bästlein and Dr. Franz Gasselsberger resigned from the Supervisory Board of AMAG Austria Metall AG.

At the constitutive meeting of the Supervisory Board, Dipl.-Ing. Herbert Ortner was appointed as the new Chairman of the Supervisory Board.

All Supervisory Board members participated in at least half of the meetings.

SUPERVISORY BOARD MEMBERS AS OF DECEMBER 31, 2019

Dipl.-Ing. Herbert Ortner (1968)

Supervisory Board Chairman

First appointed: April 17, 2018

Mandate duration: until the AGM that passes a resolution concerning the discharge for FY 2020

Supervisory board mandates at other listed companies: -

Dipl.- Betriebswirt Peter Edelmann (1959)

First Deputy Supervisory Board Chairman

First appointed: April 10, 2019

Mandate duration: until the AGM that passes a resolution concerning the discharge for FY 2020

Supervisory board mandates at other listed companies: Lenzing AG (Chairman), Semperit AG Holding (Chairman until January 9, 2020)

Dr. Heinrich Schaller (1959)

Deputy Supervisory Board Chairman

First appointed: May 16, 2012

Mandate duration: until the AGM that passes a resolution concerning the discharge for FY 2020

Supervisory board mandates at other listed companies: voestalpine AG (First Deputy Chairman), Raiffeisen Bank International AG (Deputy Chairman)

Dr. Wolfgang Bernhard (1960)

Supervisory Board member

First appointed: April 10, 2019

Mandate duration: until the AGM that passes a resolution concerning the discharge for FY 2021

Supervisory board mandates at other listed companies: -

Mag. Patrick F. Prügger (1975)

Supervisory Board member

First appointed: May 16, 2012

Mandate duration: until the AGM that passes a resolution concerning the discharge for FY 2021

Supervisory board mandates at other listed companies: Lenzing AG, Semperit AG Holding

Prof. Dr. Sabine Seidler (1961)

Supervisory Board member

First appointed: May 16, 2012

Mandate duration: until the AGM that passes a resolution concerning the discharge for FY 2022

Supervisory board mandates at other listed companies: -

Dipl.-Ing. Franz Viehböck (1960)

Supervisory Board member

First appointed: April 16, 2015

Mandate duration: until the AGM that passes a resolution concerning the discharge for FY 2022

Supervisory board mandates at other listed companies: -

Mag. Thomas Zimpfer (1983)

Supervisory Board member

First appointed: April 10, 2019

Mandate duration: until the AGM that passes a resolution concerning the discharge for FY 2021

Supervisory board mandates at other listed companies: -

WORKS COUNCIL DELEGATES

Martin Aigner (1968)

Supervisory Board member

Delegated: January 1, 2017

Max Angermeier (1958)

Supervisory Board member

Delegated: April 14, 2011

Robert Hofer (1977)

Supervisory Board member

Delegated: December 31, 2011

Günter Mikula (1966)

Supervisory Board member

Delegated: August 1, 2014

(GRI 405-1)

DISCLOSURES ON THE INDEPENDENCE OF SUPERVISORY BOARD MEMBERS

The Supervisory Board determines the criteria for its independence. This is based on Annex 1 of the Corporate Governance Code. All Supervisory Board members confirmed that they consider themselves independent (Rule 53). This applies to all Supervisory Board members elected by the Shareholders' General Meeting.

Rule 54 is not applicable to AMAG at present. The reason for this is the low free float of less than 20 %.

SUPERVISORY BOARD COMMITTEES

The articles of incorporation authorise the Supervisory Board to form committees from among its members. They also define their tasks and rights. Furthermore, they can delegate to the committees the right to take decisions. The employee representatives on the Supervisory Board are entitled to delegate members to the Supervisory Board's committees. This is based on Section 110 (1) of the Austrian Work Organisation Act (ArbVG). This does not apply to committees that handle relationships between the company and its Management Board members.

AUDIT COMMITTEE

The Audit Committee performs the tasks assigned to it in accordance with Section 92 (4a) AktG. It is responsible for the auditing and preparation of the adoption of the separate annual financial statements, the proposal for distributing profit, the management report, the corporate governance report and the examination of the risk management system. It is also required to examine the consolidated financial statements. Furthermore, it makes a proposal for the election of the auditor of the financial statements, checks and monitors its independence, and approves and controls the provided non-audit services.

Members of the Audit Committee as of December 31, 2019:

- > Mag. Patrick F. Prügger (chair and finance expert)
 - > Dipl.-Ing. Herbert Ortner (deputy chair)
 - > Dr. Heinrich Schaller
 - > Mag. Thomas Zimpfer
 - > Max Angermeier
 - > Robert Hofer
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NOMINATION COMMITTEE

The tasks of the Nomination Committee include succession planning, the submission of proposals to the Supervisory Board for filling vacant Management Board mandates and the submission of proposals to the Annual General Meeting for filling vacant Supervisory Board mandates. The committee is also required to give its agreement to appointing and dismissing Group companies' CEOs.

Members of the Nomination Committee as of December 31, 2019:

- > Dipl.-Ing. Herbert Ortner (chair)
 - > Dipl.-Betriebswirt Peter Edelmann (deputy chair)
 - > Dr. Heinrich Schaller
 - > Dipl.-Ing. Franz Viehböck
 - > Max Angermeier
 - > Robert Hofer
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STRATEGY COMMITTEE

The Strategy Committee's tasks include discussing the corporate strategy, current strategy implementation controlling, and strategy process controlling.

Members of the Strategy Committee as of December 31, 2019:

- > Dipl.-Ing. Herbert Ortner (chair)
 - > Mag. Thomas Zimpfer (deputy chair)
 - > Dr. Heinrich Schaller
 - > Dr. Wolfgang Bernhard
 - > Max Angermeier
 - > Robert Hofer
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REMUNERATION COMMITTEE

The Remuneration Committee is responsible for drafting and concluding as well as amending and terminating employment agreements with Management Board members. In addition, it is responsible for the preparation and review of the remuneration policy for Management Board and Supervisory Board members and for monitoring the implementation of the remuneration policy for Management Board members. Furthermore, it controls the processing and execution of Management Board contracts.

Members of the Remuneration Committee as of December 31, 2019:

- > Dipl.-Ing. Herbert Ortner (chair)
 - > Dipl.-Betriebswirt Peter Edelmann (deputy chair)
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COMMITTEE FOR URGENT MATTERS

The Committee for Urgent Matters is authorised to make decisions. The precondition for this is that the decision cannot be postponed until the next ordinary Supervisory Board meeting.

Members of the Committee for Urgent Matters as of December 31, 2019:

- > Dipl.-Ing. Herbert Ortner (chair)
 - > Dipl.-Betriebswirt Peter Edelmann (deputy chair)
 - > Dr. Heinrich Schaller
 - > Mag. Thomas Zimpfer
 - > Max Angermeier
 - > Robert Hofer
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(GRI 102-18)

NUMBER AND MAIN FOCUSES OF SUPERVISORY BOARD AND COMMITTEE MEETINGS

The tasks of the Supervisory Board are set out in both the company's articles of incorporation and the law. The Supervisory Board performed its duties at six ordinary meetings, including one constitutive meeting. The AMAG Group's current business and financial position was reported on an ongoing basis at these meetings. Furthermore, the Supervisory Board discussed the ramp-up of the "AMAG 2020" expansion project and further investments for continuous site development. In addition to planning for the 2020 financial year and the medium-term planning up to 2024, other focus topics of the Supervisory Board meetings included AMAG's future strategic orientation, digitalisation issues and research & development.

The Supervisory Board also approved the appointment of Victor Breguncci as AMAG's new Chief Sales Officer as of June 1, 2019. At the Supervisory Board's constitutive meeting, Mr. Herbert Ortner was appointed as the new Chairman of the Supervisory Board. The committees' members were also newly appointed.

The Audit Committee held three meetings. At these, the committee focused on the preparation and examination of the company's consolidated and separate financial statements, the audit results for 2018 and the auditor's planning for 2019. Further topics included the effectiveness and functioning of the internal control system, risk management and specific financial accounting issues.

The Nomination Committee met once in 2019 and concerned itself with the appointment of Victor Breguncci as the new Chief Sales Officer and the election proposals to the Supervisory Board.

The Remuneration Committee convened twice during the 2019 financial year. Focus areas included agreeing targets with Management Board members and the structuring of the Management Board agreement for Victor Breguncci.

The Strategy Committee held three meetings in 2019. The main focus was on AMAG's future strategic orientation.

REMUNERATION REPORT FOR THE MANAGEMENT AND SUPERVISORY BOARDS

MANAGEMENT BOARD REMUNERATION

The Management Board's remuneration is regulated in the Management Board contract. The total compensation consists of an ongoing fixed salary, a short-term variable (performance-based) component ("Short-Term Incentive" or "STI") and a long-term variable (performance-based) component ("Long-Term Incentive" or "LTI").

For the Management Board contracts in force in 2019, the financial target figures of Group EBITDA and Group ROCE form the assessment basis for the STI. In addition to the financial targets, non-financial criteria are assessed annually by the Remuneration Committee, which can influence the bonus amount determined by +/- 20 %. The prerequisite for a bonus entitlement is the achievement of a threshold value for at least one of the two financial targets. Payment is made in cash at the end of the respective financial year. The STI can amount to a maximum of around 100 % of the fixed remuneration. The STI target value is an absolute amount.

The LTI is granted on a rolling basis, i.e. in annual tranches. The assessment period for each tranche amounts to three years. Financial performance criteria include the average consolidated net income after taxes, the average consolidated ROCE and, in the case of a significant free float of more than 20 %, the total shareholder return. The prerequisite for a bonus entitlement is the achievement of a threshold value for at least one of the two targets. Payment is made in cash after the end of the three-year assessment. The amount of the LTI is limited to between 110 % and 145 % of the fixed compensation for the corresponding period. The LTI target value is an absolute amount. If a member of the Management Board resigns from his or her position on the Management Board before the end of the term of appointment, or if the Management Board member is recalled from office on serious grounds in the meaning of Section 75 AktG, all claims under current LTI tranches of the current contract period will lapse. The LTI therefore also serves as an effective retention tool.

A defined contribution pension scheme exists for all Management Board contracts. The company bears the costs for D&O insurance (directors & officers insurance). The contracts include a change of control clause that regulates payments in the event of the early termination of a Management Board member's contract due to a change of control. The severance payment claim in such a case is limited

to the remaining term of the Management Board contract, albeit to a maximum of two years' total remuneration.

Management Board remuneration in the 2019 financial year

The current remuneration of the Management Board includes the fixed remuneration and the short-term variable component (STI). In total, the current remuneration of the Management Board in 2019 amounted to EUR 2,450.2 thousand (2018: EUR 2,388.6 thousand). Of this amount, 64 % was fixed and 36 % variable compensation.

At the end of 2018, a liability of EUR 600 thousand existed for the long-term variable remuneration component from previous years. This was paid out in equal parts to Mag. Gerald Mayer and Dr. Helmut Kaufmann in January 2019. In the 2019 financial year, a liability of EUR 408.3 thousand was recognised for the long-term variable compensation component (LTI).

For the period from March 1, 2019 to December 31, 2019, a consultancy agreement with Dipl.-Ing. Helmut Wieser was in place with a fee of EUR 860 thousand, which is not included in the Management Board's current remuneration. The scope of services under this contract primarily included support for the Management Board in establishing and intensifying contacts with key decision-makers as well as advice on sales issues.

Expenses for pensions for Management Board members amounted to a total of EUR 164.0 thousand (2018: EUR 123.0 thousand). This is included in the reported current fixed remuneration. A defined benefit pension commitment also existed for Dipl.-Ing. Helmut Wieser due to previous work for AMAG. For this purpose, around EUR 365.5 thousand was recognised directly in equity in the 2019 financial year.

ONGOING MANAGEMENT BOARD REMUNERATION IN EUR THOUSAND (EXPENSED)

	2019			2018		
	Ongoing fixed compensation	Short-term variable compensation (STI)	Sum	Ongoing fixed compensation	Short-term variable compensation (STI)	Sum
Dipl.-Ing. Helmut Wieser*	136.3	-	136.3	616.9	451.3	1,068.2
Mag. Gerald Mayer	634.1	360.0	994.1	463.1	197.1	660.2
Priv.-Doz. Dipl.-Ing. Dr. Helmut Kaufmann	550.2	300.0	850.2	463.1	197.1	660.2
Victor Breguncci, MBA**	252.9	216.7	469.6	-	-	-
SUM	1,573.6	876.7	2,450.2	1,543.1	845.5	2,388.6

*) Management Board mandate until February 28, 2019 ***) Management Board member since June 1, 2019

SUPERVISORY BOARD REMUNERATION

Section 13 of the articles of incorporation regulates the remuneration for the Supervisory Board members. The articles of incorporation are published on the company's website. At the AGM on April 10, 2019, the Supervisory Board's remuneration for both the 2018 and 2019 financial years was approved.

The Supervisory Board's remuneration for the 2019 financial year will now be paid out during the current financial year. For the 2018 financial year, the payment totalled EUR 645.0 thousand. For the 2019 financial year, a total of EUR 677.0 thousand was paid out. Attendance fees are included in all cases.

REMUNERATION FOR MEMBERS OF THE SUPERVISORY BOARD FOR THE 2019 FINANCIAL YEAR IN EUR THOUSAND

	Financial year 2019	Financial year 2018
Dr. Hanno M. Bästlein	37.3	137.0
Dr. Wolfgang Bernhard	45.8	-
Dipl.-Bw. Peter Edelmann	58.5	-
Dipl.-Ing. Gerhard Falch	-	10.0
Dr. Franz Gasselsberger, MBA	9.5	36.0
Dr. Josef Krenner	42.3	157.0
Dipl.-Ing. Herbert Ortner	151.0	47.0
Mag. Patrick F. Prügger	84.0	83.3
Dr. Heinrich Schaller	99.0	93.0
Prof. Dr. Sabine Seidler	42.0	38.0
Dipl.-Ing. Franz Viehböck	45.0	43.8
Mag. Thomas Zimpfer	62.8	-
SUM	677.0	645.0

DIVERSITY CONCEPT AND PROMOTION OF WOMEN

Respect, diversity and inclusion form integral and indispensable elements of the corporate culture of AMAG Austria Metall AG, and are taken into consideration in appointments to all functions. For Supervisory Board appointments proposed to the Shareholders' General Meeting and when nominating Management Board members, attention is paid to a balance in relation to qualifications and diversity, as these contribute significantly to the professionalism and effectiveness of the work of the Supervisory and Management Boards. Along with specialist and personal qualifications, this approach also includes aspects such as age structure, origin, gender, education and experience. A diversity concept in written form was approved as of February 7, 2018.

The results of Works Council elections at the individual Group companies form the decision-making basis for the delegation of workforce representatives. The d'Hondt method was applied to calculate the election results for the Group Works Council.

The proportion of women employed in Ranshofen rose to 14 % in the 2019 financial year. The proportion of women apprentices stood at 26 %. The non-financial statement in the Group management report presents more information on the topic of equal opportunities and diversity. AMAG is committed to equal opportunities, and rejects any type of discrimination, especially based on age, gender, skin colour, sexual orientation, background, religion or handicap. [\(GRI 405-1\)](#)

COMPLIANCE

Compliance forms a central element of good corporate governance and comprises a basic prerequisite for sustainable corporate performance and success. AMAG operates a comprehensive compliance system, which is described in detail in the non-financial statement in the Group management report.

CHANGES AFTER THE REPORTING DATE

No changes occurred to reportable matters between the reporting date and the date when the corporate governance report was prepared.