

Remuneration policy of AMAG Austria Metall AG

The remuneration policy defines the principles that are applied to determine the remuneration of the Management Board and Supervisory Board of AMAG Austria Metall AG (AMAG). The remuneration scheme implements the statutory requirements of the Austrian Stock Corporation Act (Section 78 et seq. AktG) and the recommendations of the Austrian Code of Corporate Governance (ÖCGK). The remuneration policy's primary aim is to promote long-term and sustainable business development and growth.

Management Board remuneration

Principles of remuneration for the Management Board members

The Supervisory Board's Remuneration Committee is responsible for preparing, regularly reviewing and monitoring the implementation of the remuneration policy for the Management Board. The Supervisory Board as a plenum bears responsibility for the final determination of this remuneration policy. If necessary, the Remuneration Committee and/or the Supervisory Board are supported by an external remuneration consultant. In order to avoid conflicts of interest, care is taken to ensure that any advisors to whom recourse is made do not at the same time advise the Management Board on remuneration issues.

When determining Management Board remuneration, the tasks and performance of the individual Management Board members, the company's situation and standard remuneration levels are taken into consideration. The individual Management Board members' professional experience and responsibility as well as the scope and complexity of their activities are also taken into account. A horizontal remuneration comparison with other Austrian and German industrial companies is applied in order to achieve competitive Management Board remuneration in line with the market, in order to attract, motivate and retain the most qualified Management Board members for the company. Furthermore, the remuneration and employment conditions of the company's employees are taken into consideration, in order to set the Management Board's remuneration in relation to the company's remuneration structure.

The members of the Management Board are employed on local Austrian terms and conditions. For this reason, the remuneration components are set in euros (gross). The Management Board members' employment contracts are concluded with AMAG, and are subject to Austrian law.

Remuneration components and remuneration structure

The Management Board members' remuneration comprises both non-performance-based and performance-based components as follows:

Overview of remuneration components

Remuneration components	Description of the main parameters
Non-performance-based remuneration	
Basic remuneration	Fixed salary at a competitive level reflecting individual Management Board members' responsibilities and performance
Remuneration in kind and other benefits	Company car, insurance premiums
Pension contributions	Defined contribution pensions are paid via an external pension fund
Performance-based remuneration	
Short-Term Incentive (STI)	<p>Appraisal of performance against financial and non-financial criteria for a one-year assessment period</p> <ul style="list-style-type: none"> - Financial criteria: EBITDA and ROCE - Non-financial targets: Total and individual benefits (modifier of +/-20 %) <p>Cap: 150 % of the target bonus</p>
Long-Term Incentive (LTI)	<p>Appraisal of performance against financial and non-financial criteria for a multi-year assessment period</p> <ul style="list-style-type: none"> - Financial criteria: ROCE, net income after taxes and relative TSR¹ - Non-financial criteria: sustainability targets <p>Cap: 200 % of the target bonus</p>
Special ex gratia payments and bonuses	Possible in the case of special achievements that lead to a future-related benefit for the company as well as sign-on and retention bonuses

The components of the target remuneration (excluding remuneration in kind and other benefits, pension contributions and potential special ex gratia payments and bonuses) are interrelated as follows:

Remuneration components' share of target remuneration in %	Management Board Chair (CEO)	Ordinary member of the Management Board
Basic salary	40-50 %	40-50 %
STI	20-30 %	20-30 %
LTI	30-40 %	20-30 %

¹ Relative TSR (total shareholder return) is applied if the free float relating to the company's shares amounts to at least 20 %

The relative proportions accounted for by existing Management Board contracts lie within the ranges shown above. At the same time, the ranges serve as a benchmark for the conclusion of future Management Board contracts. Details on the absolute amounts of remuneration components can be found in the Corporate Governance Report or in the company's remuneration reports after the Annual General Meeting relating to the 2020 financial year.

The long-term variable performance bonus promotes medium- to long-term value enhancement and the successful implementation of AMAG's Group strategy, including its sustainability strategy. In addition, the LTI also takes into consideration the relative total shareholder return (TSR), in other words, the return for shareholders deriving from a combination of share price performance and dividends, in relation to the selected companies of the ATX Prime and MDAX indices. This aligns the Management Board members' targets with the interests of shareholders and stakeholders. However, until the free float relating to the company's shares reaches at least 20 %, the relative TSR is not applied in order to assess the long-term variable performance bonus.

The possibility of taking into consideration the relative TSR enables the Management Board members to be granted share-based remuneration. Moreover, the focus of the variable remuneration components is placed more on internal performance and sustainability indicators relating to the company's business results. The reason for this is that the stock market price of the company's shares is sometimes significantly influenced by exogenous factors such as interest rate trends, as well as bull and bear phases in the capital market, and is consequently of only limited suitability as a benchmark for assessing the Management Board's performance.

As far as C-Rule 27 of the Austrian Corporate Governance Code (ÖCGK) is concerned, the remuneration policy makes provision whereby the company can reclaim variable remuneration components if it transpires they were paid out on the basis of manifestly false data ("clawback").

Basic salary

The basic salary consists of a fixed annual salary, which is paid in 14 equal instalments. This remuneration covers all overtime, travel and commuting time, as well as services rendered in excess of normal working hours applicable to the company's employees. The assumption of directorships within the Group is also remunerated.

The basic salary represents a fixed payment at a competitive level, incentivising the Management Board members to act in the company's best interests, taking into consideration shareholders' and employees' interests, as well as the public interest.

Short-Term Incentive (STI)

The short-term variable incentive (STI) is based on the company's performance during the past financial year, and depends on the financial targets for consolidated EBITDA and consolidated ROCE, as well as non-financial criteria.

Overview of STI performance criteria	Financial		Non-financial
Performance criteria	EBITDA (absolute)	Return on capital employed (ROCE)	Multiplier ("modifier")
Weighting	70 %	30 %	0.8 – 1.2

As of January 31 of the financial year, the Supervisory Board's Remuneration Committee sets targets as well as lower and upper limits for the financial performance criteria for the assessment period (the current financial year), which apply uniformly to all Management Board members. The targets can be set on the basis of the approved budget for the year in question, among other

factors. The actual level of target achievement is then determined on the basis of the audited IFRS consolidated financial statements after the end of the relevant financial year.

Financial performance criteria – STI Performance	Level of target achievement
Upper limit	150 %
Target value	100 %
Lower limit	50 %
Non-attainment of lower limit	0 %

If the EBITDA or ROCE achieved in the respective financial year corresponds exactly to the lower limit, the degree of target achievement amounts to 50 %. If the upper limit is reached or exceeded, the degree of target achievement amounts to 150 % (cap). In the intermediate range, the degrees of target achievement are distributed in a straight line (linear interpolation). If the lower limit is not reached, the degree of target achievement amounts to 0 %. The bonus component for the respective performance criterion as well as the short-term variable performance bonus as a whole can thereby be completely eliminated.

Overview of the calculation of the short-term variable bonus entitlement



By applying a modifier, the Remuneration Committee can increase the bonus entitlement deriving from achieving the financial performance criteria by a maximum of 20 % in the case of exceptional performance not reflected in the financial criteria, or reduce the bonus entitlement by a maximum of 20 % in the case of performance below expectations. A modifier of 1.0 is applied as a rule. The assessment of non-financial performance is based on the collective performance of the Management Board as a whole, as well as the individual performance of each Management Board member. For example, such performance may relate to the achievement of important strategic corporate goals and the completion of key projects.

The amount of the STI target bonus is determined individually for each Management Board member in his or her employment contract. The STI bonus entitlement is capped at 150 % of the target bonus and cannot be exceeded, even by applying the modifier. The amount to be paid is determined no later than June 30 of the financial year following the end of the assessment period, and is subsequently paid in seven equal instalments in the months July to December (including a special payment in December).

By taking into account two financial and one non-financial target figures, it is possible to make a comprehensive and balanced assessment of the Management Board members' performance. The financial targets reflect trends in both profitability and returns on investment. By applying a 70 % weighting to EBITDA, the focus is on the profitability trend. A 30 % weighting applied to ROCE additionally reflects the efficiency with which capital is employed.

In special circumstances (particularly in a phase of corporate restructuring), the Supervisory Board's Remuneration Committee can replace the two financial performance criteria with alternative performance criteria such as free cash flow, as well as the EBITDA and EBIT margins, by January 31 of the current financial year. The weighting of the two criteria can also be adjusted

as part of the changeover. This is intended to enable management to focus on generating free cash flows in critical phases of the business, while taking profitability trends into consideration.

Long-Term Incentive (LTI)

The long-term variable incentive (LTI) comprises multi-year, performance-based remuneration aimed at achieving a long-term incentive effect. The LTI is granted on a rolling basis, i.e. in annual tranches, with three-year assessment periods in each case. For this purpose, financial performance criteria and, from the 2022 financial year, sustainability criteria will be applied, in other words, consolidated net income after taxes, consolidated ROCE, sustainability criteria to be defined per tranche, and the company's capital market performance in relation to selected peer companies (relative TSR).

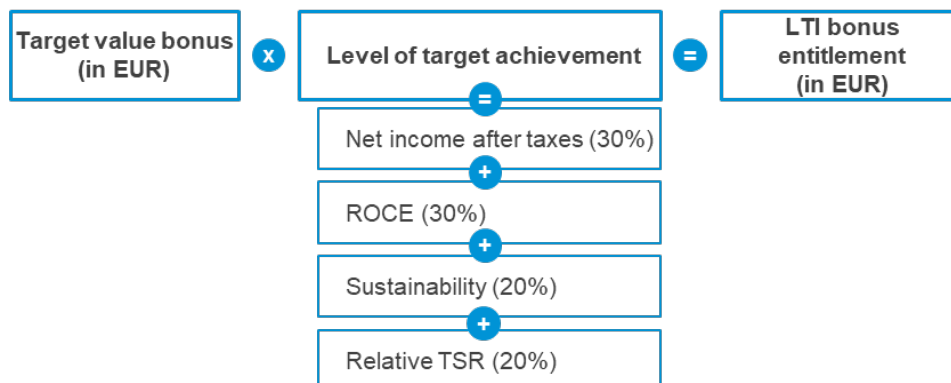
Overview of LTI performance criteria	Financial			Non-financial
Performance criteria	Consolidated net income after taxes	Return on capital employed (ROCE)	Relative total shareholder return (TSR)	Sustainability criteria / ESG KPIs
Weighting	30 %	30 %	20 %	20 %

As long as the free float relating to AMAG Austria Metall AG shares is less than a minimum of 20 % in January of the year for which the tranche is granted, the relative total shareholder return (TSR) performance criterion does not apply, and the weighting of the consolidated net income and ROCE criteria amounts to 40 % in each case. The weighting of the sustainability criteria (ESG KPIs) is not affected in this context, and consequently remains the same (20 %).

As of January 31 of the financial year, the Supervisory Board's Remuneration Committee sets targets as well as lower and upper limits for the financial LTI performance criteria of consolidated net income after taxes and consolidated ROCE for the assessment period (average of the next three financial years), which are applicable to all Management Board members.

The relevant ESG KPIs, assessment criteria and specific targets for sustainability criteria are also to be defined by January 31 of a given financial year. This occurred for the first time in January 2022.

Overview of the calculation of the long-term variable bonus entitlement



The uniform incentive system for the members of the Management Board simplifies the integration of newly appointed Management Board members, which is conducive to the company's sustained success. In addition to internal sources such as corporate planning, when setting LTI targets

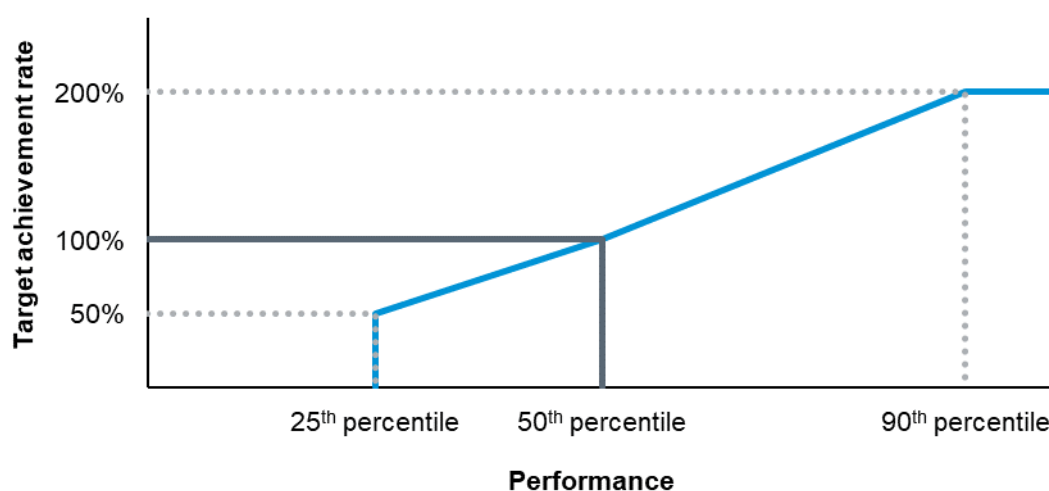
recourse is also made, where appropriate, to external sources such as analysts' expectations and peer companies' historical performance. This is intended to set a demanding target in comparison with competitors, thereby promoting AMAG's competitiveness long-term. The level of target achievement is then determined on the basis of the audited IFRS consolidated financial statements for the financial years of the assessment period. In contrast to the STI, the LTI target achievement level amounts to 200 % (cap) if the upper limit is reached.

Performance	Level of target achievement
Upper limit	200 %
Target value	100 %
Lower limit	50 %
Non-attainment of lower limit	0 %

The bonus component for the respective performance criterion as well as the long-term variable performance bonus as a whole can thereby be completely eliminated.

If the free float reaches at least 20 %, AMAG's TSR performance is compared with the performance of all companies in the ATX Prime and MDAX indices (in each case excluding banks, insurance companies and real estate companies) in order to assess the level of achievement of the relative TSR target. If AMAG's TSR corresponds to the 50th percentile (median) of the peer group, the level of target achievement amounts to 100 %. The lower limit is defined as the 25th percentile with a target achievement level of 50 %, and the upper limit is defined as the 90th percentile with a target achievement level of 200 %. If AMAG's TSR lies below the 25th percentile, the target achievement level amounts to 0 %. Between the 25th and the 50th percentile and between the 50th and the 90th percentile, the TSR target achievement levels are distributed in a straight line (linear interpolation).

Target achievement curve – relative TSR



In addition to the relative TSR, the application of ROCE and net income after taxes allows both profitability and earnings trends to be reflected in the long-term variable performance bonus. While ROCE focuses on efficient long-term capital deployment, net income after taxes as the

basis for dividend payouts aims to ensure that remuneration is aligned to a significant extent with shareholders' interests. The target values and upper and lower limits for ROCE are generally not identical for the short-term and long-term performance bonuses. The application of ROCE in both remuneration components is intended to focus on efficient capital employment.

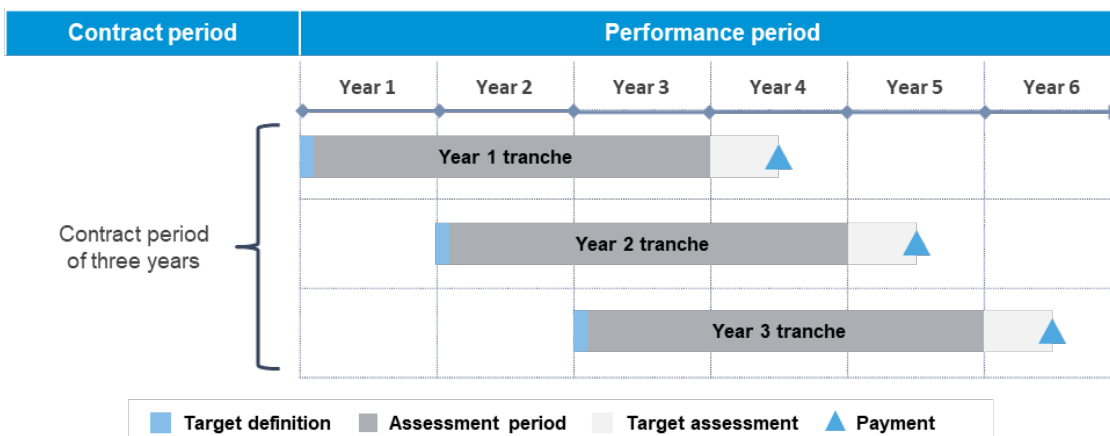
Due to the increasing importance of sustainability for all companies, and especially for AMAG, two to four sustainability targets are also defined for each LTI tranche based on the following catalogue of criteria:



This enables the sustainability targets to be adapted to AMAG's corporate environment, and different focus areas can be set for each financial year.

The LTI is granted in annual tranches with three-year assessment periods. Targets as well as upper and lower limits for the three financial performance criteria always refer to the average values of the three years of the assessment period. An LTI target bonus applies to each tranche, the amount of which is determined individually for each Management Board member in their employment contract.

The tranche model for the LTI serves the company's long-term strategic development: it enables the company's performance after the end of a Management Board member's appointment period to be taken into consideration when determining the LTI. This incentivises Management Board members to make sustainable investments in the company, including at the end of their term of office. Furthermore, the effects of cyclical fluctuations in earnings on the LTI are smoothed out.



The payout amount of the LTI tranche is determined no later than June 30 of the financial year following the end of the assessment period of an LTI tranche, and is then paid out in seven equal instalments in the months of July to December (including a special payment in December). 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 dismissed from office on serious grounds in the meaning of Section 75 AktG, all claims lapse in relation to LTI payments for all tranches granted in the current contract period for which the assessment period has not yet expired. LTI tranches granted in Management Board members' previous contractual periods are paid out if a target achievement level above the lower limit is reached.

Special ex gratia payments and bonuses

The Remuneration Committee reserves the right to award special bonuses for particular services over and above the variable performance bonuses mentioned previously, provided that such particular services shall have created a future-related benefit for the company. These special bonuses are intended to motivate the members of the Management Board to manage the company in a long-term and sustainable manner.

It is permissible to grant sign-on and retention bonuses to members of the Management Board. This may be necessary in order to recruit particularly qualified Management Board members for the company, or to retain them for the company.

Pension fund

AMAG makes contributions to an external pension fund for the Management Board members it employs. The amount of such payments is agreed individually in the employment contracts and amounts to between 5 % and 15 % of the annual basic salary. In general, no provision is made for early retirement programs.

Remuneration in kind and other benefits

The company may arrange Directors' and Officers' (D&O) insurance, accident insurance and other insurance cover required for the activities of a Management Board member, such as legal protection and foreign travel health insurance. The company may provide the members of the Management Board with a company car. Moreover, members of the Management Board may be reimbursed for reasonable official expenses associated with their position as a member of the Management Board, as well as for travel expenses. The members of the Management Board are covered by health, pension and accident insurance with the Austrian social security system. Social security contributions are divided between the members of the Management Board and the company in accordance with the statutory formula, and the company makes the legally required contribution to an employee pension fund. In the event of the death of a Management Board member, the company may grant a death benefit to the widow or children of the deceased.

Divergence from the remuneration policy in the event of exceptional circumstances

In exceptional circumstances, the Remuneration Committee and/or the Supervisory Board can temporarily diverge from this remuneration policy in accordance with Section 78a (8) of the Austrian Stock Corporation Act (AktG) in order to ensure the long-term development of the company and/or its profitability.

In the event that a member of the Supervisory Board assumes a Management Board mandate on an interim basis, the variable remuneration components and the ratio of basic salary to variable remuneration components may be determined differently in order to provide the Management Board member delegated from the Supervisory Board with incentives appropriate to the situation.

Furthermore, in exceptional circumstances that are particularly challenging in macroeconomic terms or specifically for the company, temporarily diverging short- and long-term performance

bonuses can be set in order to recruit and retain particularly suitable Management Board members, and to motivate them accordingly through remuneration incentives.

Management Board members' terms of office

As a rule, Management Board mandates are limited to around three years; a term of up to five years is agreed in exceptional cases. Reappointments are permitted. In order to maintain continuity in the Management Board's composition, the Supervisory Board ensures that the Management Board members' contracts do not expire predominantly on the same date.

Termination of a Management Board mandate

The Management Board members' employment contracts are concluded for a limited period. They can only be terminated without notice on important grounds, particularly those set out in Section 27 of the Austrian Salaried Employees Act (AngG). In the event of permanent occupational disability, and after more than six months of illness, the employment relationship can be terminated in writing by either party on June 30 or December 31 of any year, including during the term of the contract, subject to three months' notice.

In the event of early termination of the appointment as a member of the Management Board by the company for one of the reasons listed in Section 75 AktG, or in the event of resignation from office without due cause and without the agreement of the Supervisory Board, the employment contract also ends.

If severance payments have been agreed with Management Board members in the event of early termination without due cause, these may not exceed the annual base salary plus the maximum short-term bonus for a maximum of two years or any shorter remaining term of the contract.

Supervisory Board remuneration

Principles of remuneration for Supervisory Board members

The Remuneration Committee is responsible for the preparation and regular review of the remuneration policy for Supervisory Board members. The Supervisory Board as a whole is responsible for drawing up the remuneration policy for the Board members. Final annual determination of the remuneration for the Supervisory Board is the responsibility of the Shareholders' General Meeting (Section 98 AktG).

The remuneration of the Supervisory Board generally consists of basic remuneration for Supervisory Board activities and additionally for committee membership, as well as an attendance fee for Supervisory Board and committee meetings. In light of the greater responsibility and wider scope of activities, the Chair of the Supervisory Board, the Deputy Chair of the Supervisory Board, the committee chairs, certain committee members as well as the financial expert may be granted a higher basic remuneration than the ordinary members of the Supervisory Board. In addition, the members of the Supervisory Board are entitled to reimbursement of their cash outlays.

If members of the Supervisory Board assume a special function within the company, they can be granted special remuneration for such functions by resolution of the Shareholders' General Meeting.

The remuneration for the Supervisory Board aims to promote the company's business strategy and long-term development by taking into consideration the responsibilities and scope of activities of the individual Supervisory Board members, as well as the company's commercial and financial position. In order to ensure unbiased supervision of the management by the Supervisory Board, Supervisory Board members are not granted variable remuneration, bonuses or share-based remuneration – thereby averting any alignment with the interests of the Management Board.

In order to attract, motivate and retain the most suitable Supervisory Board members, remuneration is determined on the basis of performance and in line with market remuneration. When defining remuneration that is in conformity with the market, not only Austrian but also German enterprises are applied as a benchmark. This is necessary in order to be able to offer attractive remuneration to highly qualified foreign candidates given AMAG's global activities.

The company may take out Directors' and Officers' (D&O) insurance for the Supervisory Board members.

Divergence from the remuneration policy in the event of exceptional circumstances

In exceptional circumstances, the Shareholders' General Meeting may temporarily adjust the level of Supervisory Board remuneration and attendance fees to reflect the company's situation, if this is necessary for the long-term development of the company or to ensure its profitability.

Term of office of supervisory board members and termination

Supervisory Board members are appointed by the Shareholders' General Meeting for a period of approximately three to five years; in exceptional cases appointments for shorter terms are possible. Reappointments are permitted. In order to maintain continuity on the Management Board, the Shareholders' General Meeting ensures that the appointments do not expire predominantly on the same date.

The appointment of a Supervisory Board member may be revoked prior to the end of the term of office by a resolution of the Shareholders' General Meeting with a three-fourth majority. The Supervisory Board member is entitled to remuneration on a pro-rata (monthly) basis for the financial year concerned.

All Supervisory Board members may retire from office with no obligation to state reasons by giving four weeks' written notice to the Chair of the Supervisory Board.