

CORPORATE GOVERNANCE REPORT

AMAG resolves to acknowledge and implement the Austrian Code of Corporate Governance.

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 is based on the provisions of Austrian stock corporation law, stock exchange law and capital markets law, 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 January 2010 revision of the Code. The Code is open for public access at www.corporate-governance.at.

Adherence to the principles set out in the Austrian Code of Corporate Governance is undertaken voluntarily by the Companies. The Management Board and the Supervisory Board of AMAG Austria Metall AG first resolved to acknowledge and implement the Code of Corporate Governance in the fiscal year 2011. AMAG Austria Metall AG is thus committed to complying with the Austrian Code of Corporate Governance as amended.

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

Rule 31 (Disclosure of the remuneration of each individual Management Board member):

The company does not share the view that individualized information on the remuneration of Management 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 Management Board member to disclose such information.

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.

Rule 83 (Assessment of the effectiveness of the company's risk management):

Assessing the effectiveness of the company's risk management was not part of the audit of the financial statements by the auditor.

COMPOSITION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Details concerning composition are summarized in this Corporate Governance report.

The terms of office of any and all shareholders' representatives on the Supervisory Board shall end at the end of the shareholders' meeting of AMAG Austria Metall AG that resolves on the fiscal year 2011.

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

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.

REMUNERATION REPORT FOR THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The variable remuneration of the Management Board of AMAG Austria Metall AG is oriented exclusively on the operating performance. In the fiscal year 2011, the ratio of the fixed components to the variable components of the total compensation of the Management Board is approximately 60% to 40%. Furthermore, two Managing Board members have company pension plans based on the defined-contribution model. Claims under Rule 30 in the event of termination of the function on the Management Board do not exist. The company bears the costs of the Directors & Officers (D&O) insurance taken out.

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

Except Dr. Hanno M. Bästlein, 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.

In Thomas Spitzenpfel, Dr. Peter Uggowitz and Wolfgang Pfarl, the Supervisory Board has three 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 committee has 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:

- Thomas Spitzenpfel, (Chairman)
- Dr. Hanno M. Bästlein
- Christopher von Hugo
- Max Angermeier

A remuneration and nomination committee has been provided for in the internal rules of procedure but has not been set up to date.

NUMBER AND MATERIAL CONTENTS OF THE MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES

Since the IPO on April 8, 2011 in the fiscal year 2011 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 three extraordinary meetings of the Supervisory Board and one meeting 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 Group's strategic further development, the simplifica-

tion of the legal structure, issues relating to the implementation of investment projects, to risk management measures and to Compliance rules.

The audit committee dealt with the preparation and audit of the company's consolidated and individual financial statements, reporting requirements arising from listing, audit planning by the auditor of the financial statements as well as with issues relating to the internal control system, risk management and corporate governance.

ADVANCEMENT OF WOMEN ON THE MANAGEMENT AND SUPERVISORY BOARDS AND IN MANAGEMENT POSITIONS

The total percentage of women in the AMAG Group in the fiscal year 2011 remained unchanged at 12%. The share of female apprentices was 20%. The underlying reasons for this percentage remaining low compared to other sectors of the economy are based in the industry, in history and in cultural tradition.

No express "proportions of women" are provided for in any of the AMAG Group companies, but AMAG endeavors to sustainably increase the share of women working on all levels of the Group by implementing suitable measures such as goal-oriented HR development, modern working-time management and the promotion of women in technical occupations.

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 for preventing the abuse of inside information was adopted and most recently updated on November 8, 2011.

The objective of this directive is to comply with the statutory requirements and to ensure orderly communication regarding inside information both within the AMAG Group and in relations with third parties so as to warrant equal treatment of all market participants, especially with regard to the passing on of information.

A Compliance Officer was appointed who is in charge of monitoring Compliance with the relevant provisions on an ongoing basis and reports 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.

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 (Directors' Dealings) is published on the AMAG homepage and on the website of the Austrian Financial Market Authority (FMA). In 2011 no violations of the Compliance directive were ascertained.

CODE OF ETHICS

AMAG is aware of the particular responsibility it has to society and to its business partners, stockholders and employees. High ethical standards are therefore a material part of the business policy of AMAG and its subsidiaries. The actions of AMAG and its employees are guided by the principles of the Group-wide Code of Ethics mandatorily to be observed by all employees, which was updated as of December 2011.

The focus is on compliance with all statutory and other legal provisions, on morally, ethically and legally impeccable conduct in dealings with customers, suppliers, employees and competitors, on the commitment to practicing free and fair competition as well as on the fight against corruption. This code of conduct is rounded off by measures aimed at data protection and at avoiding abuse of inside information.

AMAG offers employees a communication pathway in the form of a Compliance Line allowing employees to report (potential) violations. This facility is of course also available to all of the company's business partners. Any violations are punished by measures under labor law and, where appropriate, also under criminal law and the law governing damages.

COMPOSITION OF THE MANAGEMENT BOARD

Gerhard Falch

Chairman of the Management Board (CEO), 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 2013; assigned functions in the Group: Strategy and Group Communication, Investor Relations, Human Resources, Key Accounts, Purchasing, Service and Infrastructure; Chairman of the Supervisory Board of Energie AG Oberösterreich (Linz), member of the Supervisory Board of VA Intertrading AG (Linz)

Dr. Helmut Kaufmann

COO, 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 2013; assigned functions in the Group: AMAG casting GmbH, AMAG rolling GmbH, Business Technology, Management under trade law and Management Systems

Gerald Mayer

CFO, born in 1971, appointed: February 18, 2011; first appointed at the predecessor company Austria Metall AG: November 2007 end of term of contract: August 2013; assigned functions in the Group: Financing, Controlling and Reporting, Accounting, Information Technology, Legal, AMAG metal GmbH (managing director) and AMAG service GmbH (managing director)

COMPOSITION OF THE SUPERVISORY BOARD

Dr. Hanno M. Bästlein

born in 1963, Chairman of the Supervisory Board, member of the audit committee, appointed: January 31, 2011; Chairman of the Management Board of Constantia Packaging GmbH until December 2011, Managing Partner One Equity Partners (OEP) since January 2012

Christopher von Hugo

born in 1963, Deputy Chairman of the Supervisory Board, member of the audit committee, appointed: January 31, 2011, Managing Director and Partner of OEP Europe GmbH, Chairman of the Supervisory Board of Pfeiderer AG, member of the Supervisory Board of Smartrac N.V.

Otto Höfl

born in 1946, member of the Supervisory Board, appointed: March 21, 2011, representative of the AMAG Employees Private Foundation

Wolfgang Pfarl

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

Dr. Ludwig Scharinger

born in 1942, member of the Supervisory Board, first appointed: March 21, 2011, Chief Executive of Raiffeisenlandesbank Oberösterreich AG (Linz), Deputy Chairman of the Supervisory Board of Voest Alpine AG (Linz) and of Raiffeisen Bank International AG (Vienna)

Thomas Spitzenpfel

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

Dr. Peter Uggowitzer

born in 1950, member of the Supervisory Board, first appointed: March 21, 2011, Professor at the ETH Zurich

DELEGATED BY THE WORKS COUNCIL

Max Angermeier

born in 1958, member of the Supervisory Board, member of the audit committee, delegated: April 14, 2011, Chairman of the Works Council of the Group

Robert Hofer

born in 1977, member of the Supervisory Board, first delegated: December 31, 2011

Franz Riffler

born in 1951, member of the Supervisory Board, delegated: April 14, 2011, left: December 31, 2011

Georg Schreiner

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

Herbert Schützeneder

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

Dr. Hanno M. Bästlein (most recently as Chairman), Christopher von Hugo, Otto Höfl, Wolfgang Pfarl, Thomas Spitzenpfel, Max Angermeier and Franz Riffler were also members of the Supervisory Board of Austria Metall AG and thus of the ultimate parent and controlling company of the AMAG Group before the IPO.