

Report of the Supervisory Board



Dear Ladies and Gentlemen,

In the financial year 2014, the Supervisory Board carried out the tasks assigned to it according to the law and articles of association, and in compliance with the Austrian Corporate Governance Code. The Management Board regularly reported to the Supervisory Board both verbally and in written form, promptly and comprehensively on all material developments within the company, its business policy, the results of operations, the financial position, investments and other fundamental issues relating to company management and planning.

Between meetings, the Management Board kept the Supervisory Board up-to-date on important events. The latest individual issues and projects were discussed in regular conversations between the Management Board and the Chairman of the Supervisory Board.

MAIN TOPICS OF THE MEETINGS

The Supervisory Board of AMAG Austria Metall AG met on February 27, June 11, July 3, September 18, November 4 and November 20, 2014, in accordance with the obligations laid out by law and the articles of association. During these meetings, the Supervisory Board discussed the course of business with the Management Board and advised on the situation as well as the strategic development of the company. Moreover, the Supervisory Board of AMAG Austria Metall AG restructured itself in the meeting on April 10, 2014. A number of members of the Audit, Nomination and Remuneration Committees were newly elected. A Committee for Urgent Matters was also set up.

At the first Supervisory Board meeting on February 27, 2014, the annual financial statements of AMAG Austria Metall AG as of December 31, 2013 were adopted, while the management board report and auditor's report, the report by the Audit Committee pursuant to section 92 para. 4a (5) of the Austrian Companies Act (AktG) on the audit results, the consolidated financial statements including group management report and corporate governance report were approved. The proposal on the appropriation of profits for 2013 was approved. Moreover, the annual activity report of the compliance officer was acknowledged, an amendment to the rules of procedure for the Supervisory Board and Management Board of AMAG Austria Metall AG was made and an amendment to the articles of association prepared for the Annual General Meeting.

In the meeting on June 11, 2014, the "AMAG 2020" strategic site expansion project was discussed in depth.

On July 3, 2014, the Supervisory Board examined the future approach and a strategy check on the strategic site expansion "AMAG 2020" as well as issuer compliance matters.

In the meeting on September 18, 2014, the Supervisory Board discussed technical risk management, as well as the answering of outstanding questions on the strategy project "AMAG 2020". The positive project progress of the ongoing site expansion programme "AMAG 2014" was examined as part of a site visit.

On November 4, 2014, the implementation of the strategy project "AMAG 2020" was agreed.

In the final meeting of the year on November 20, 2014, future business policy as well as the future development of net assets, financial position and the results of operations were agreed as part of the forecast for 2015, as well as the medium-term planning through to 2024. Moreover, the Supervisory Board also addressed the status of the preliminary audit of the annual financial statements, the results of the self-assessment of the Supervisory Board and precautions for fighting corruption. Moreover, the operational launch of the major investment "AMAG 2014" was celebrated.

SUPERVISORY BOARD AND COMMITTEES

The Supervisory Board of AMAG Austria Metall AG consists of Dr. Josef Krenner (Chairman), Dr. Hanno Bästlein (1st Deputy Chairman), Gerhard Falch (Deputy Chairman), Dr. Heinrich Schaller (Deputy Chairman), Dr. Franz Gasselsberger, Otto Höfl, Patrick Prügger, Prof. Dr. Sabine Seidler and Prof. Dr. Peter Uggowitzner.

Employee representation in the Supervisory Board is provided by Maximilian Angermeier, Robert Hofer, Günter Mikula and Herbert Schützeneder.

The Audit Committee of the Supervisory Board of AMAG Austria Metall AG met on February 7, February 27 and September 18 during the 2014 reporting year, with Supervisory Board members attending. Representatives of the auditor took part in the meetings in order to report on their auditing activities and findings by way of a management letter. The Audit Committee received the declaration of impartiality from the auditor and appointed the auditor for the financial year 2014 after a vote. The Committee agreed the focuses of the audit with the auditor and concluded the fee agreement. In addition, specific accounting topics were discussed in the presence of the auditor. In addition, the functionality and effectiveness of the internal control and risk management system was critically analysed and monitored. The audit results for 2013 were also presented.

In particular, the following topics were covered in both meetings in February 2014:

- UGB (Austrian Business Code) financial statements as of December 31, 2013, the IFRS consolidated financial statements as of December 31, 2013, as well as the Management Board Report and Auditor's Report on the annual financial statements of AMAG Austria Metall AG as of December 31, 2013
- Report by the Audit Committee pursuant to section 92 para. 4a (5) AktG on the audit results to the Supervisory Board of AMAG Austria Metall AG including proposal on the appropriation of profits
- Auditor's report on the assessment of the risk management system

The current composition of the Audit Committee of AMAG Austria Metall AG was agreed in the Supervisory Board Meeting on April 10, 2014. It consists of Josef Krenner (Chairman), Hanno Bästlein (Deputy Chairman), Patrick Prügger (financial expert), Franz Gasselsberger and Heinrich Schaller as well as employee representatives Maximilian Angermeier and Robert Hofer. In the meeting of the Audit Committee as of September 18, 2014, the planning for the audit for the financial year 2014 was discussed. Moreover, the internal control system and the risk management system were also addressed in depth. In addition, the implementations from the management letter and the status of the audit 2014 were discussed, and an audit plan for 2015 was defined.

In its meeting on February 27, 2014, the Nomination Committee of AMAG Austria Metall AG advised on the assignment of mandates in the Supervisory Board and expressed corresponding resolution proposals to the Supervisory Board.

The Remuneration Committee of AMAG Austria Metall AG thoroughly addressed the results of the target agreement discussions with the Management Board in its meeting on April 10, 2014.

CORPORATE GOVERNANCE

The Supervisory Board of AMAG is committed to adhering to the Austrian Corporate Governance Code and therefore to responsible company management and control systems designed to deliver sustainable value creation. A summary of our activities in this area is presented in the corporate governance section in this annual report as well as on the website.

AUDITING AND APPROVING THE ANNUAL FINANCIAL STATEMENTS 2014

The annual financial statements, management report and corporate governance report of AMAG Austria Metall AG prepared by the Management Board, as well as the consolidated financial statements prepared in line with the International Financial Reporting Standards (IFRS), the group management report and the disclosures required pursuant to section 245 a UGB as of December 31, 2014, were audited by the auditor Deloitte Audit Wirtschaftsprüfung GmbH (appointed pursuant to section 270 UGB) and granted an unqualified audit opinion. The Supervisory Board analysed the annual and consolidated financial statements, the management report and group management report as well as the corporate governance report, the proposal for the distribution of profit and the management letter with the audit findings in the presence of the auditor, examined them within the meaning of section 96 AktG and approved them on February 26, 2015. The Supervisory Board agrees with the proposal of the Management Board for the distribution of profit, which is to result in a dividend of EUR 1.20 per eligible share and the remaining amount is to be carried forward. The annual financial statements are therefore adopted pursuant to section 96 para. 4. AktG.

THANKS

The Supervisory Board would like to express its thanks and recognition for the hard work of the Management Board as well as all employees of AMAG. Without their dedication, the gratifying results would not have been possible in this sometimes challenging economic environment. Equally, the Supervisory Board would like to congratulate the Management Board and employees on the successful implementation of "AMAG 2014" and wish them every success with the project "AMAG 2020" - with both of these projects, AMAG has set a course for a successful future.

We also appreciate the trust and close connections we enjoy with our customers, suppliers, financiers and shareholders, and look forward to our further successful cooperation.

Ranshofen, February 26, 2015



Dr. Josef Krenner

Chairman of the Supervisory Board