

ENABLING THE CIRCULAR ECONOMY

REMUNERATION REPORT | MAY 2020



AMG ADVANCED
METALLURGICAL GROUP N.V.

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COMPONENTS OF MANAGEMENT BOARD REMUNERATION 2019

BASE SALARY

ANNUAL BONUS (SHORT TERM INCENTIVE (STI))

LONG-TERM INCENTIVES

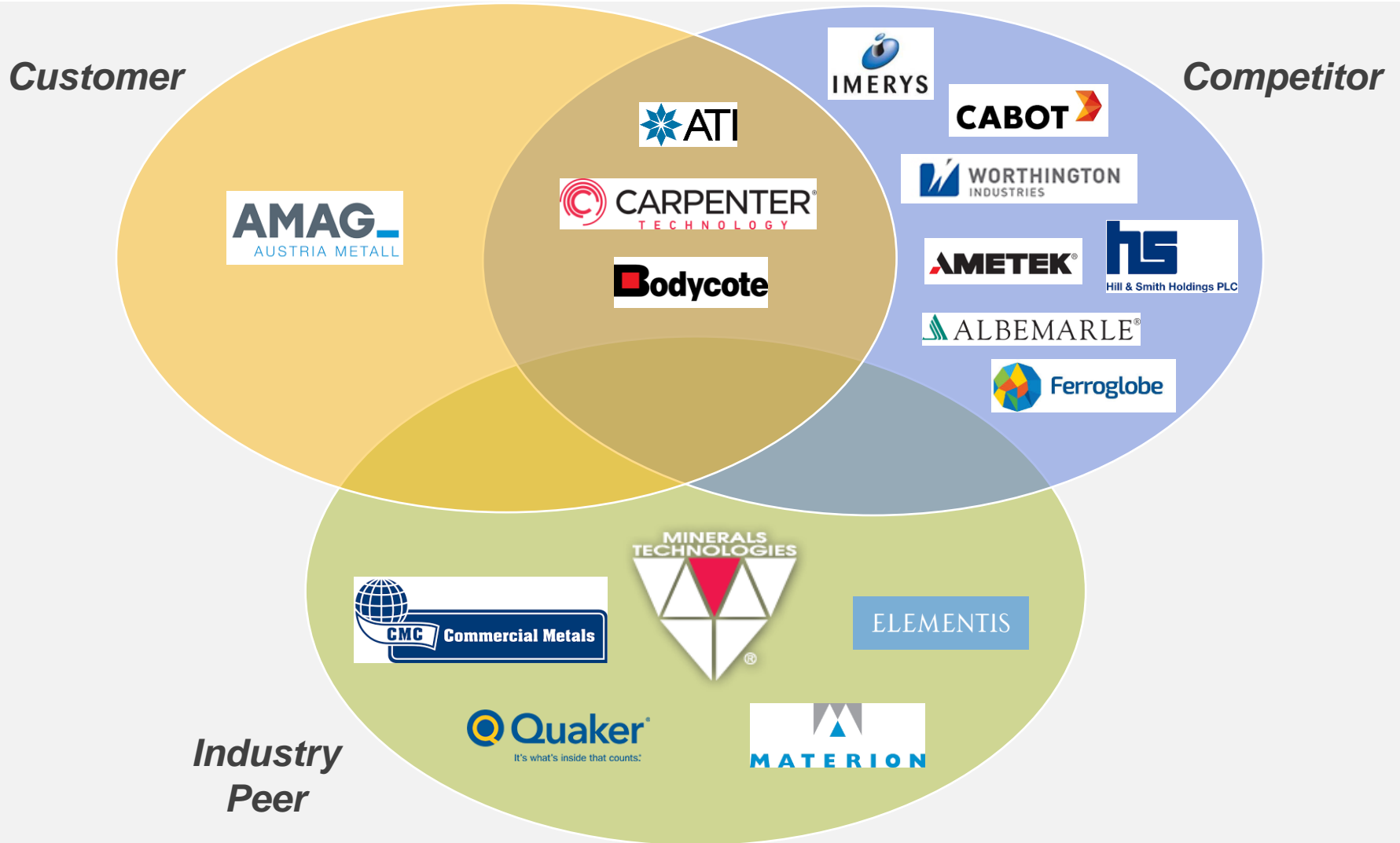
- Stock Options (SO)
- Performance Share Units (PSU)

All components are determined by market data derived from comparison with a group of companies, known as a peer group.

PEER GROUP CONSIDERATIONS

- The Peer Group was reviewed and changed in 2016 upon advice of Willis Towers Watson, our independent compensation consultant. This peer group was updated in 2018 as one of the peers was acquired by another.
 - 16 Companies
 - 10 U.S.
 - 4 U.K.
 - 2 European
 - Metals, Specialty Chemicals and Technologies
 - Public Data analyzed by Willis Towers Watson
 - These 16 companies are ones AMG competes with for sales and executive talent
- Compensation Target: 50th – 60th percentile of the Peer Group
- AMG follows a US-centric approach in determining executive compensation

AMG PEERS



SHORT TERM INCENTIVES (STI) 2019

Based on annual budget approved by the Supervisory Board

<u>Weight</u>	<u>STI Metric</u>
40%	ROCE
40%	Operating Cash Flow
20%	Personal Targets
100%	

As % of Salary

<u>Target Bonuses</u>	<u>Market P50</u>
85% CEO	100%
65% COO	75%
65% CFO	75%

Our target bonuses are below the 50th percentile of our peer group

2019 BONUS RESULTS

METRIC	PERFORMANCE	WEIGHT	PAYOUT
ROCE	63%	40%	25%
Op Cash Flow	0%	40%	0%
Individual	300%	20%	60%
			85%

Bonus payout was below target for 2019

2019 BONUS BY MANAGEMENT BOARD MEMBER

MANAGEMENT BOARD MEMBER	TARGET BONUS %	PERFORMANCE	PAYOUT PERCENTAGE
Schimmelbusch	85%	85%	72%
Jackson	65%	85%	55%
Dunckel	65%	85%	55%

MANAGEMENT BOARD MEMBER <i>(USD in thousands)</i>	BASE SALARY	PAYOUT PERCENTAGE	BONUS AMOUNT
Schimmelbusch	\$1,030	72%	\$744
Jackson	\$835 ¹	55%	\$461
Dunckel	\$635	55%	\$351

¹ effective November 2019

LONG-TERM INCENTIVES (LTI)

20% Stock Options (SO)

- Must pass 3 year average target ROCE threshold to vest
- Then vest:
 - 50% after 3 years
 - 50% after 4 years
- 10 year life term

80% Performance Share Units (PSU)

- Must pass 3 year average target ROCE threshold to vest
- Measured on Total Shareholder Return (TSR)
- Payout based upon relative performance to the Bloomberg World Metal Fabricate/Hardware Index

LONG-TERM INCENTIVES: PERFORMANCE SHARE UNITS (PSU)

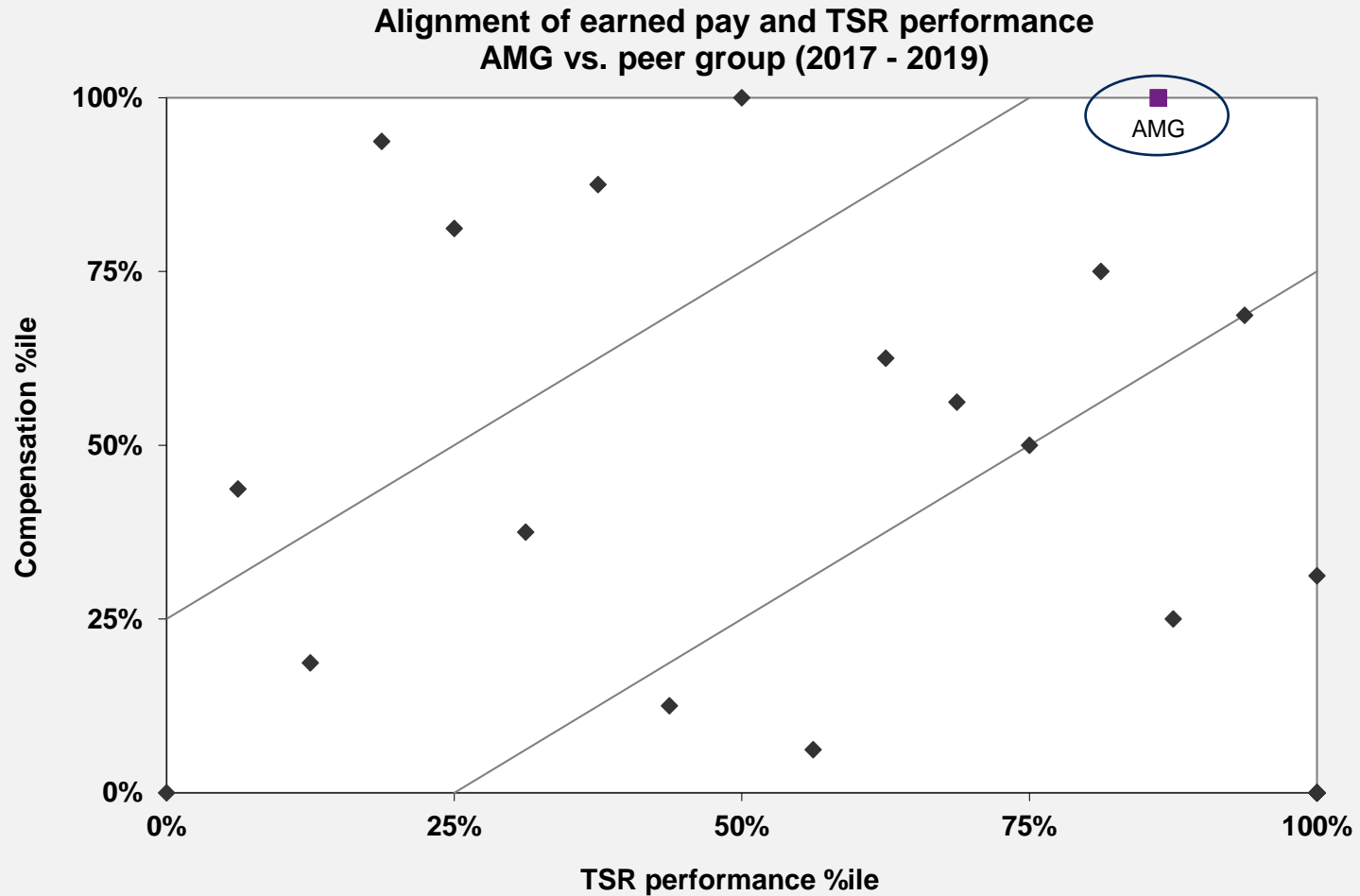
PSU's: pay-out is based on TSR measured over a three-year period against the Bloomberg World Metal Fabricate/Hardware Index (Award date is three years prior to vesting date)

Vesting Date

2013	Only 25% of PSUs vested and paid out
2014 & 2015	TSR below 25 percentile of peers, 0% vested
2016	TSR at 60 th percentile of the Bloomberg Index which yielded a 115% payout
2017 - 2019	TSR at 90 th percentile of the Bloomberg Index which yielded a 175% payout
2020	TSR at 40 th percentile of the Bloomberg Index which yielded a 75% payout

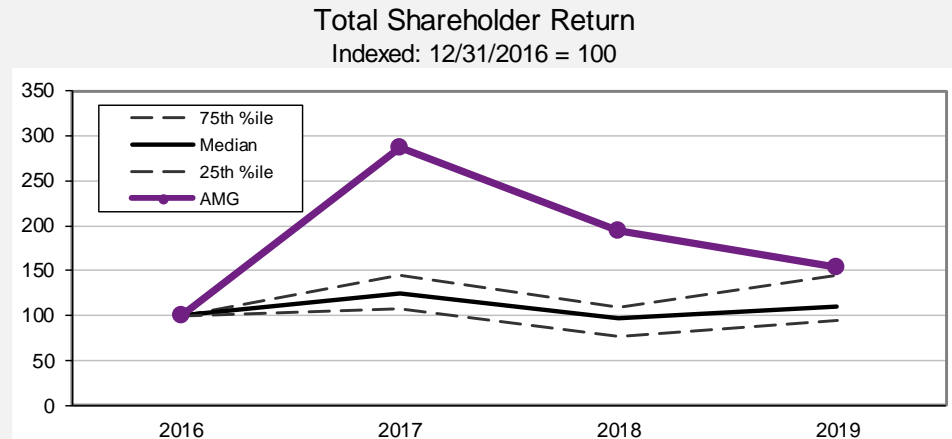
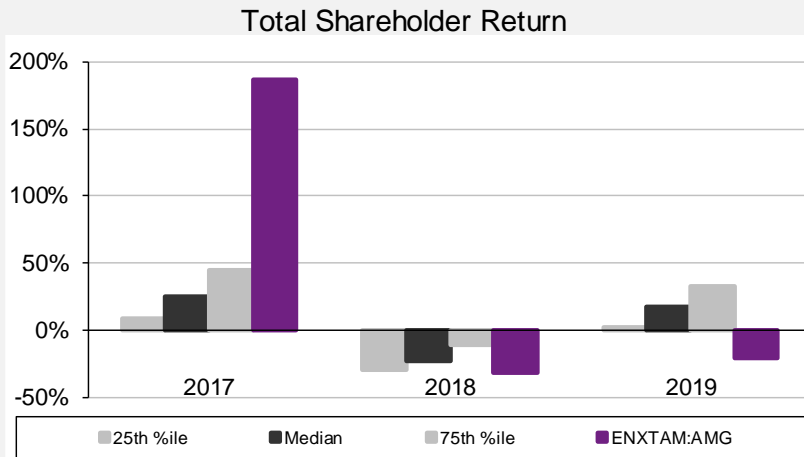
For 2020, AMG's stock price performance was at the 40th percentile of the Bloomberg World Metal Fabricate/Hardware Index

CEO EARNED PAY VERSUS TSR PERFORMANCE (3-YEAR ANALYSIS)



TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE

- AMG's cumulative shareholder return over the last three years is in the top quartile versus peers
 - Due to the surge in 2017
 - Despite the stock price decline in 2018 and 2019,
- All peers declined in 2018, and about a quarter declined in 2019

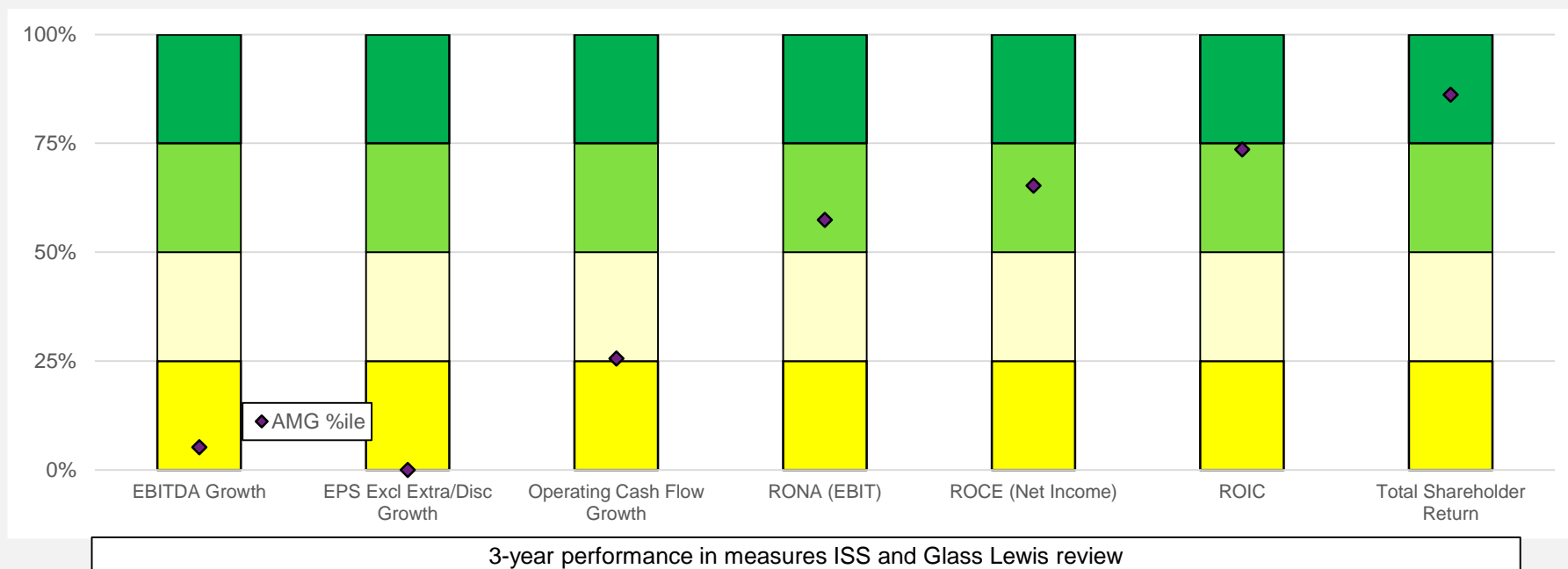


Source: S&P's Capital IQ database

Date	12/31/2016	12/31/2017	12/31/2018	12/31/2019
AMG adjusted close	\$14.20	\$40.69	\$27.56	\$21.82

RELATIVE PERFORMANCE IN PROXY ADVISOR MEASURES

- AMG's relative financial performance over the past three years in measures comparable to those used by proxy advisors ISS* and Glass Lewis review varies by measure
 - Income statement and cash flow growth are 25th percentile or below
 - Returns are above median (RONA, ROCE, ROIC)
 - TSR in the top quartile



Source: S&P's Capital IQ database. Reflects three year performance generally ending 2019.

*Does not include EVA measures ISS began disclosing in 2020 for informational purposes only