

ACCELERATING THE ENERGY TRANSITION

REMUNERATION REPORT | MAY 2022

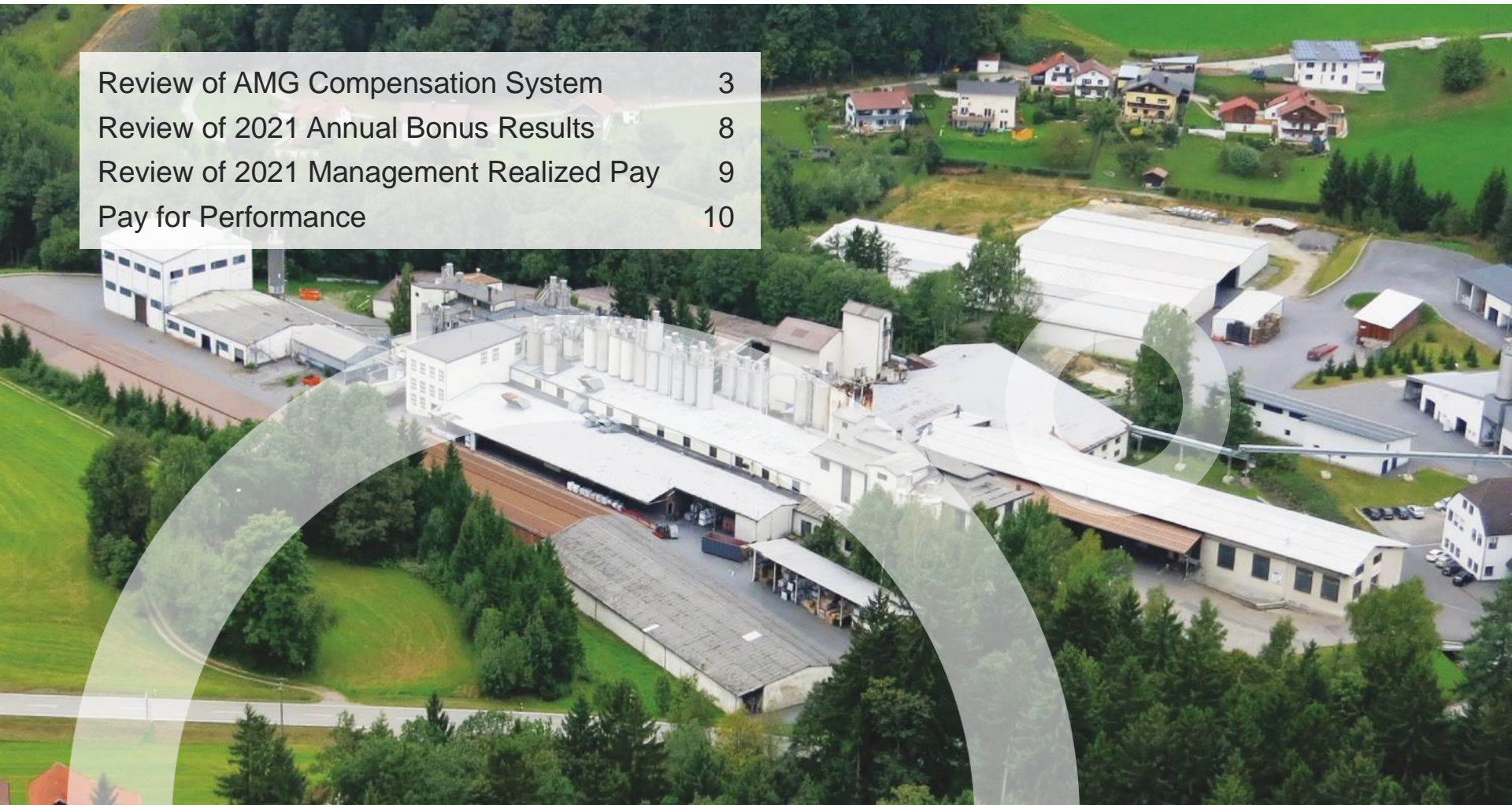


AMG ADVANCED METALLURGICAL GROUP N.V.



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2021 REMUNERATION POLICY

- AMG's shareholders voted last year to accept our proposed changes to the Remuneration Policy.
- The policy was significantly changed as a response to shareholder concerns and in conjunction with significant engagement with proxy advisors, corporate governance experts, and direct meetings with shareholders.
- AMG and its Supervisory Board remain committed to shareholder engagement and will continue to engage with shareholders as remuneration disclosure requirements continue to change.

**AMG's Key Principle for its Remuneration Policy is
Pay for Performance**

2021 ANNUAL BONUS STRUCTURE

The key changes to our Annual Bonus structure include:

- Reducing the maximum Annual Bonus opportunity from 300% of target to 200% in line with best practice. The target as a percentage of salary remains unchanged. The stretch target of 200% will continue to be paid out only upon the highest levels of attainment against all performance measures, and we will maintain a 0% payout should the threshold targets not be met.
- Introducing quantifiable, verifiable, and strategically aligned Environmental Safety and Governance (“ESG”) targets to our Annual Bonus award at a weighting of 20% for the 2021 reporting year.
- Reducing the Personal Target weighting from 20% to 10% and the Financial Targets from 80% to 70%.

2021 PERFORMANCE SHARE UNIT PLAN

We also simplified the Long-Term Incentive Plan (renamed Performance Share Unit Plan) and aligned it to best practice, taking into account investor feedback, as follows:

- Share options will no longer be awarded.
- Performance Share Units (“PSUs”) will feature a 3-year performance period and an additional 2-year holding period in line with the Dutch Corporate Governance Code.
- For 2021, payouts are based 100% on relative Total Shareholder Return versus the global sector peers we utilize to benchmark Management Board pay.
- For awards granted as of 2021, there will no longer be any vesting of the PSUs for performance below the 50th percentile, in line with best market practice.

PEER GROUP CONSIDERATIONS

- AMG's Supervisory Board established a revised peer group to apply in 2021 onward. Contrary to past practices in which a majority of the peers were US-based, 12 of the 17 peer companies are based in Europe, reflecting our intention to use a peer group which is at least two-thirds European.
- Importantly, the 2021 Remuneration Policy includes a provision for maintaining a peer group that includes two-thirds European companies
- The revised peer group consists of the following companies:

1. Allegheny Technologies Inc*	7. Constellium*	13. OCI N.V.
2. AMAG	8. Elementis	14. Outokumpu
3. Aperam	9. Eramet	15. Salzgitter
4. Bodycote	10. Ferrexpo	16. SGL Carbon
5. Carpenter Technologies*	11. Hill & Smith	17. Vallourec
6. Commercial Metals*	12. Materion*	

*Denotes a US Listed Peer

- This peer group is an important yardstick for the Supervisory Board in determining performance by the Company and setting compensation for the Company's Management Board.

COMPONENTS OF MANAGEMENT BOARD REMUNERATION 2021

FIXED PAY AND BENEFITS

Heinz Schimmelbusch:
\$750,000 + €250,000

Eric Jackson:
\$723,000 + €100,000

Jackson Dunckel:
\$523,000 + €100,000

ANNUAL BONUS

Heinz Schimmelbusch:
85% of Base Salary

Eric Jackson:
65% of Base Salary

Jackson Dunckel:
65% of Base Salary

Performance Share Unit Plan

Heinz Schimmelbusch:
€1,700 Face Value

Eric Jackson:
€650K Face Value

Jackson Dunckel, CFO
€500K Face Value

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

ANNUAL BONUS METRICS AND WEIGHTING 2021

Based on annual budget approved by the Supervisory Board

Financial Measures

- Cash flow from operations 35%
- EBITDA 35%

Non-financial Measures

- ESG Measures 20%
 - ❑ Lost Time Incident Rate – 6.7%
 - ❑ Enabling CO2 Reduction – 6.7%
 - ❑ CO2 Credits Created – 6.7%
- Management Board Strategic Targets 10%

As % of Salary

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

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

2021 ANNUAL BONUS CALCULATION

MEASURE	TARGET	ACTUAL	ACTUAL % VS TARGET	ACHIEVEMENT	2020	TARGET VS 2020
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Financial Measures—70% of total, comprising:

Operating Cash Flow (35%)	\$40.8M	\$90.8M	223%	200%	\$19.6M	2.08x
EBITDA (35%)	\$96.6M	\$136.5M	141%	181%	\$66.8M	1.45x

MEASURE	TARGET	ACTUAL	ACTUAL % VS TARGET	ACHIEVEMENT
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Non-financial Measures - 30% of total, comprising:

Lost Time Incident Rate (6.7%)	1.17	0.39	(67%)	200%
Enabling CO2 Reduction (6.7%)	57	79	39%	200%
CO2 Credits Created (6.7%)	Y	N	0%	0%
Management Board Strategic Targets (10%)	Qualitative	Above / Sig. Above	Above / Sig. Above	175%

Total Annual Bonus Award	178%
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2021 BONUS RESULTS

Management Board	Salary <i>(in USD in thousands)</i>	Target Bonus %	Target Bonus
Heinz Schimmelbusch	\$ 1,046	85%	\$ 889
Eric Jackson	\$ 841	65%	\$ 547
Jackson Dunckel	\$ 641	65%	\$ 417

Management Board	Target Bonus <i>(in USD in thousands)</i>	Multiplier	2021 Bonus
Heinz Schimmelbusch	\$ 889	1.78x	\$ 1,582
Eric Jackson	\$ 547	1.78x	\$ 973
Jackson Dunckel	\$ 417	1.78x	\$ 742

MANAGEMENT BOARD REALIZED PAY 2021

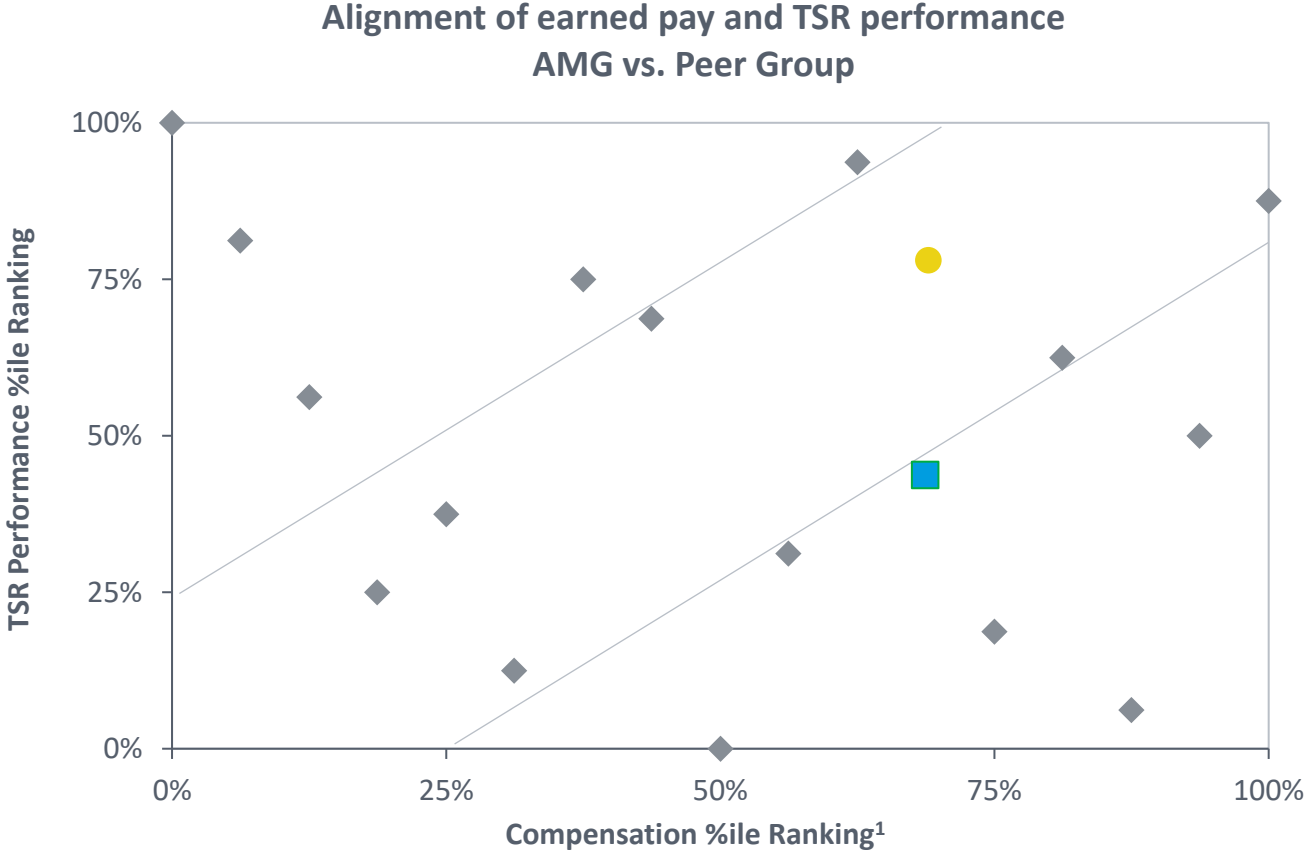
<i>USD 000's</i>		BASE SALARY	ANNUAL BONUS	PSUs ¹	OPTIONS ²	PENSION	OTHER	TOTAL
Heinz Schimmelbusch, CEO	2021	1,046	1,582	1,265	169	181	175	4,418
	2020	1,035	-	1,091	338	229	333	3,026
Eric Jackson, COO	2021	841	973	429	50	103	42	2,438
	2020	837	-	321	99	133	40	1,430
Jackson Dunckel, CFO	2021	641	742	372	50	417	41	2,263
	2020	637	-	321	99	357	26	1,440

¹ PSU updated for actual payout based on vesting in March 2022. Original grant price was €31.43 and final multiplier was 0.75x.

² See annual report for additional details on option calculation.

CEO Earned Pay vs. TSR Performance

AMG Peer Group (2-Year Analysis)

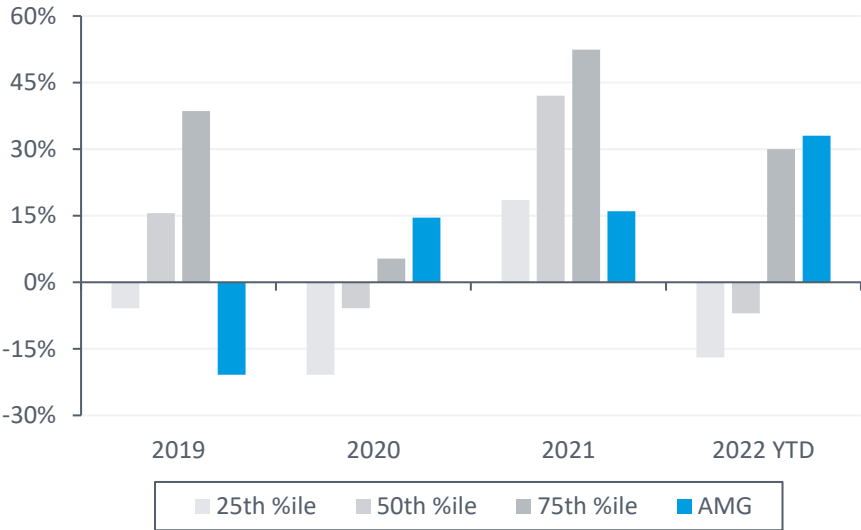


1. Spot TSR ● Based on AMG's YTD Performance versus Peers

TSR Performance

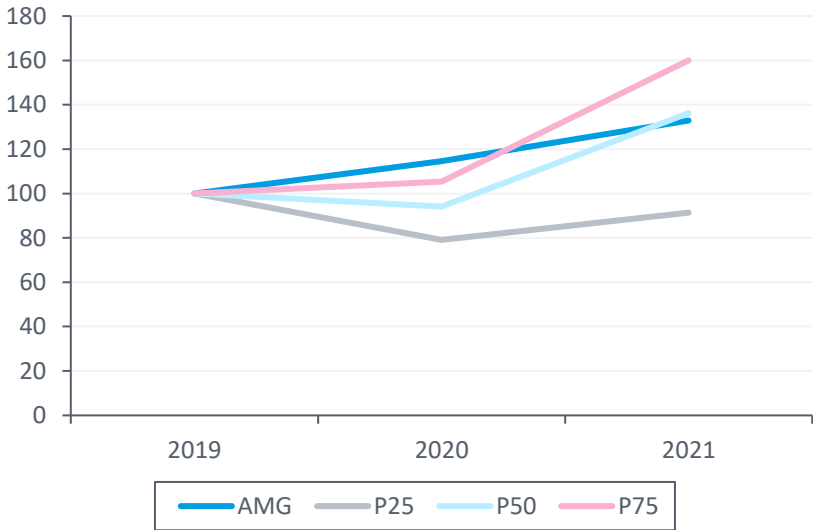
AMG Peer Group

Total Shareholder Return



Total Shareholder Return

Indexed: 31/12/2019 = 100



Relative Performance in Proxy Advisor Metrics

AMG Peer Group (1-Year Analysis)

