



Components of Management Board Remuneration

- Base Salary
- Annual Bonus (Short Term Incentive (STI))
- Long Term Incentives:
 - Stock Options (SO)
 - Performance Share Units (PSU)



Base Salary

- Peer Group
 - 20 Companies
 - 13 U.S.
 - 2 Canadian
 - 5 European
 - Metals, Mining and Technologies
 - Public Data analyzed by Hay Group
- Compensation Target: P50 P75 of Peer Group



Short Term Incentives (STI)

Based on annual budget approved by SB

Weight	STI Metric
40%	ROCE
40%	Operating Cash Flow
20%	Personal Measures
100%	

As % of Salary

Target Bonuses	Market P50
85% CEO	100%
65% COO	75%
60% CFO	75%



Long Term Incentives (LTI)

20% Stock Options (SO)

- Must pass 3 year average ROCE 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 ROCE
- Measured on Total Shareholder Return (TSR)
- Payout based upon relative performance to the Bloomberg World Metals Index



2015 Bonus Results

Metric	Performance	Weight	Payout
ROCE	84%	40%	34%
Op Cash Flow	191%	40%	76%
Individual	100%	20%	20%
			130%



2015 Bonus by Management Board Member

Management Board Member	Target Bonus %	Performance	Payout Percentage
Schimmelbusch	85%	130%	111%
Jackson	65%	130%	85%
Ard	60%	130%	78%

Management Board Member	Base Salary	Payout Percentage	Bonus Amount
Schimmelbusch	\$1,028,000	111%	\$1,135,940
Jackson	\$611,000	85%	\$516,295
Ard	\$500,000	78%	\$390,000



Long Term Incentives

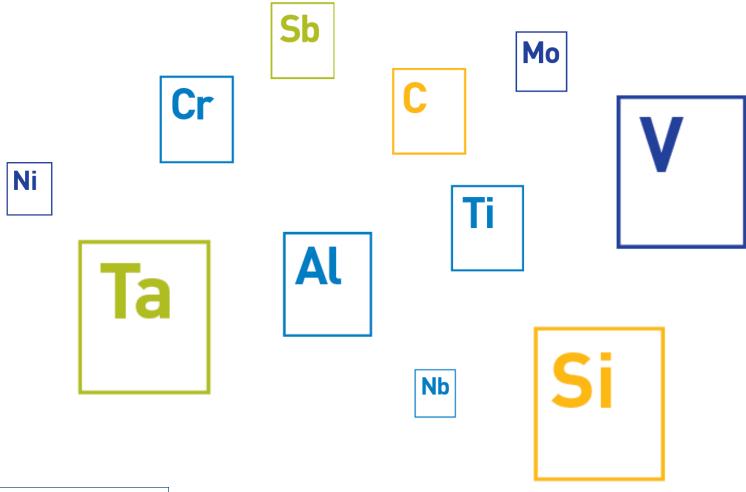
2013	Only 25% of PSUs vested and paid out
20142015	TSR below 25 percentile of peers, 0% vested
2016	At current TSR, vested 1.15% in April 2016



Compensation Observations

- Metrics for 2016 same as 2015 except for modifications to the OCF metric
- Continue to rebalance our components of compensation
 - Keep salary increases flat or moderate
 - Put more emphasis on long term incentives tied to total shareholder return
- As agreed with RWC, we have switched our compensation advisor to Willis Towers Watson
 - New study now underway
 - Results to be used for 2017 compensation metrics







AMG REMUNERATION REPORT MAY 2016