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Structure of AMG Remuneration Plan
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

<table>
<thead>
<tr>
<th>Weight</th>
<th>STI Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>ROCE</td>
</tr>
<tr>
<td>40%</td>
<td>Operating Cash Flow</td>
</tr>
<tr>
<td>20%</td>
<td>Personal Measures</td>
</tr>
<tr>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

As % of Salary

<table>
<thead>
<tr>
<th>Target Bonuses</th>
<th>Market P50</th>
</tr>
</thead>
<tbody>
<tr>
<td>85% CEO</td>
<td>100%</td>
</tr>
<tr>
<td>65% COO</td>
<td>75%</td>
</tr>
<tr>
<td>60% CFO</td>
<td>75%</td>
</tr>
</tbody>
</table>
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
Compensation Analysis
## Compensation Targets

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Actual Base Salary</th>
<th>Total Cash</th>
<th>Total Direct</th>
<th>STI %</th>
<th>LTI%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>&gt;P90</td>
<td>P75</td>
<td>P48</td>
<td>P17</td>
<td>P40</td>
</tr>
<tr>
<td>COO</td>
<td>&gt;P90</td>
<td>&gt;P90</td>
<td>P63</td>
<td>P38</td>
<td>P28</td>
</tr>
<tr>
<td>CFO</td>
<td>P81</td>
<td>P67</td>
<td>P40</td>
<td>P17</td>
<td>P26</td>
</tr>
</tbody>
</table>

- AMG is highly competitive on current base salary
- AMG is below P50 for Target STI% by approximately 12% to 33% of salary
- AMG’s Target LTI% (SO + PSU) values fall between P26 and P40
- AMG’s Target Total Direct Compensation is between P40 and P63
Compensation Observations

• We need to rebalance our components of compensation
  – Keep salary increases flat or moderate, no salary increases since 2008
  – Put more emphasis on long term incentives

• Bonuses reflect annual performance agreed by the SB
  – No bonuses in 2012
  – Payouts reduced by 25% in 2013
  – In 2014, bonus payout was 169% as all bonus metrics were achieved

• Long term incentives
  – In 2013, only 25% of PSUs vested and paid out
  – In 2014 and 2015, TSR was below the 25 PT of peers, 0% vested and paid

• AMG’s remuneration portfolio (base salary, STI, LTI) continues to be appropriate for the Management Board

• Hay Group does not believe any significant modifications are necessary

• AMG will initiate in 2015 a review of its executive remuneration policy by another consultant of same standing as Hay Group (as a result of the Relationship Agreement entered into by AMG and RWC European Focus Master Inc on 7 March, 2015).
Pay for Performance
Measuring Pay versus Performance

• **Compensation Opportunity:** represented by the accounting value of LTI on the date of the award

• **Realized Pay:** the actual equity value created from the LTI for the executive

• **Performance determines Realizable Pay measured 2 ways:**
  – TSR percentage rank versus peers
  – Composite Index (ROCE, OCF, TSR) versus peers
Measurement Methodology: Pay for Performance

<table>
<thead>
<tr>
<th>Zone</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1</td>
<td>The executive is receiving higher compensation but delivering poorer performance results relative to comparators. There is less risk of flight on the part of the executive.</td>
</tr>
<tr>
<td>Zone 2</td>
<td>The executive is receiving compensation commensurate with performance results. Lower incentive compensation for poorer results and higher compensation for superior results. There would appear to be an alignment between performance and pay.</td>
</tr>
<tr>
<td>Zone 3</td>
<td>The executive is receiving lower compensation while delivering superior performance results relative to competitors. There may be a flight risk on the part of the executive.</td>
</tr>
</tbody>
</table>
Pay for Performance

**CEO Realizable Pay**

3-year period (2011 - 2013)

**Top 3 Realizable Pay**

3-year period (2011 - 2013)

Versus Composite Index

Versus TSR

<table>
<thead>
<tr>
<th>RP/TDC Ratio</th>
<th>AMG</th>
<th>P75</th>
<th>P50</th>
<th>P25</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96%</td>
<td>115%</td>
<td>94%</td>
<td>86%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RP/TDC Ratio</th>
<th>AMG</th>
<th>P75</th>
<th>P50</th>
<th>P25</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96%</td>
<td>123%</td>
<td>94%</td>
<td>87%</td>
</tr>
</tbody>
</table>
Pay for Performance Conclusions

• AMG was positioned within the alignment zone in all 4 scenarios

• The Ratio of Realizable Pay to Total Direct Compensation (RP/TDC Ratio) was at peer group median for the CEO and the Top 3

• Realizable Pay and performance are in balance at AMG