


ENABLING A GREENER FUTURE



AMG ADVANCED METALLURGICAL GROUP N.V.
ANNUAL GENERAL MEETING 2018
REMUNERATION REPORT





Review of AMG Compensation System	3
Review of 2017 Bonus Results	6
Review of Long Term Incentives	8
AMG Market Capitalization	10
Compensation Observations	11
Main Results Review Willis Towers Watson	12

COMPONENTS OF MANAGEMENT BOARD REMUNERATION 2017

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 is unchanged in 2017.
 - 17 Companies
 - 11 U.S.
 - 4 UK
 - 2 European
 - Metals, Specialty Chemicals and Technologies
 - Public Data analyzed by Willis Towers Watson
 - These 17 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

SHORT TERM INCENTIVES (STI) 2017

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

2017 BONUS RESULTS

METRIC	PERFORMANCE	WEIGHT	PAYOUT
ROCE	300%	40%	120%
Op Cash Flow	261%	40%	104%
Individual	280%	20%	56%
			280%

We had a very good year for performance

2017 BONUS BY MANAGEMENT BOARD MEMBER

MANAGEMENT BOARD MEMBER	TARGET BONUS %	PERFORMANCE	PAYOUT PERCENTAGE
Schimmelbusch	85%	280%	238%
Jackson	65%	280%	182%
Dunckel	65%	280%	182%

MANAGEMENT BOARD MEMBER	BASE SALARY	PAYOUT PERCENTAGE	BONUS AMOUNT
Schimmelbusch	\$1,032,400	238%	\$2,457,112
Jackson	\$635,960	182%	\$1,157,447
Dunckel	\$635,960	182%	\$1,157,447

LONG TERM INCENTIVES (LTI)

20% Stock Options (SO)

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

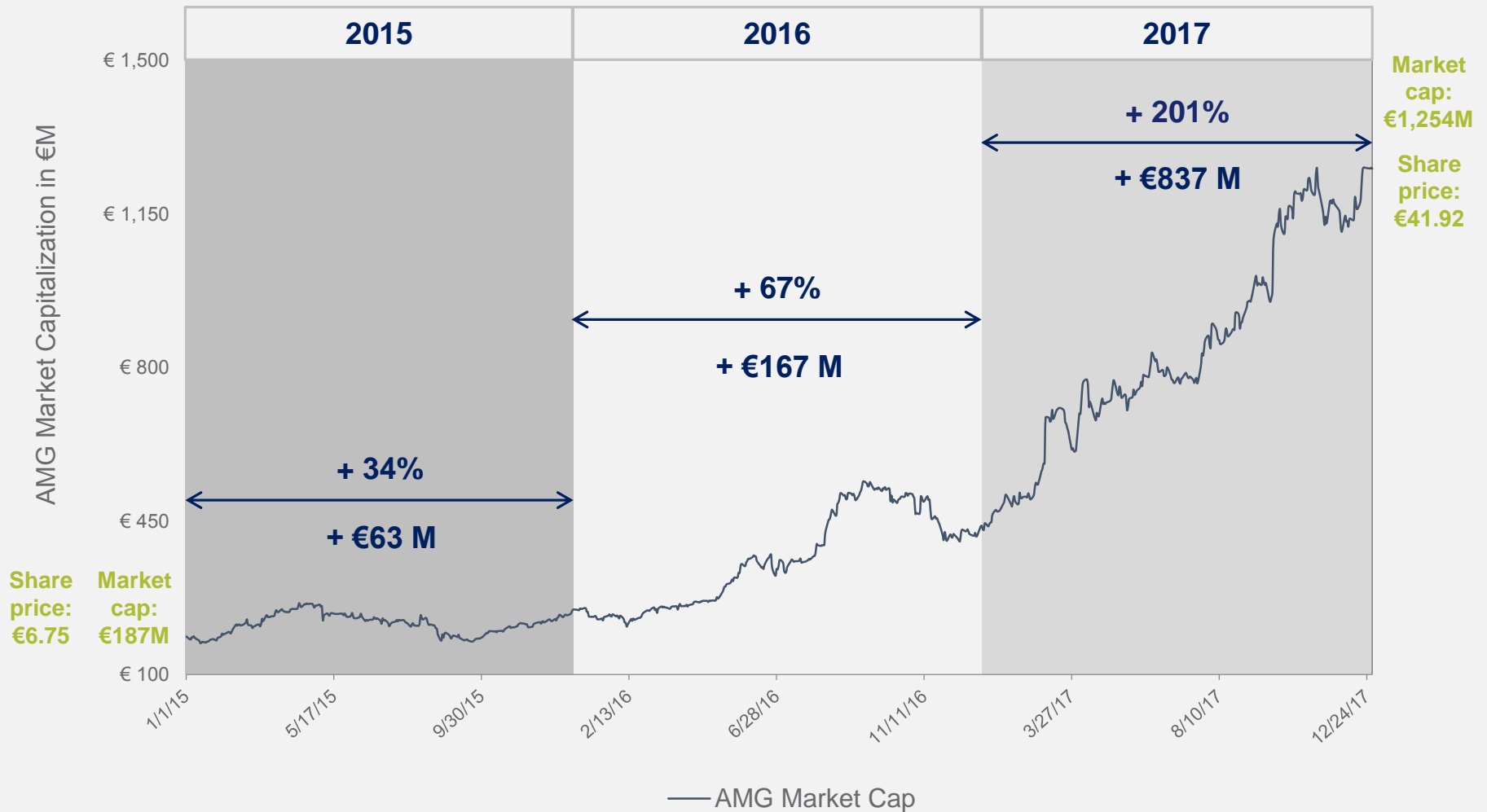
LONG TERM INCENTIVES: PERFORMANCE SHARE UNITS (PSU)

PSU's: pay-out is based on TSR measured over a three year period against the Bloomberg World Metal Fabricate/Hardware Index

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 and vested in April 2016 (PSU award 2013)
2017	TSR at 90 th percentile of the Bloomberg Index which yielded a 175% payout and vested in April 2017 (PSU award 2014)
2018	TSR at 90 th percentile of the Bloomberg Index which yielded a 175% payout and vested in April 2018 (PSU award 2015)

In 2017 and 2018, AMG's stock price performance was at the 90th percentile of the Bloomberg World Metal Fabricate/Hardware Index

2015 – 2017 AMG MARKET CAPITALIZATION



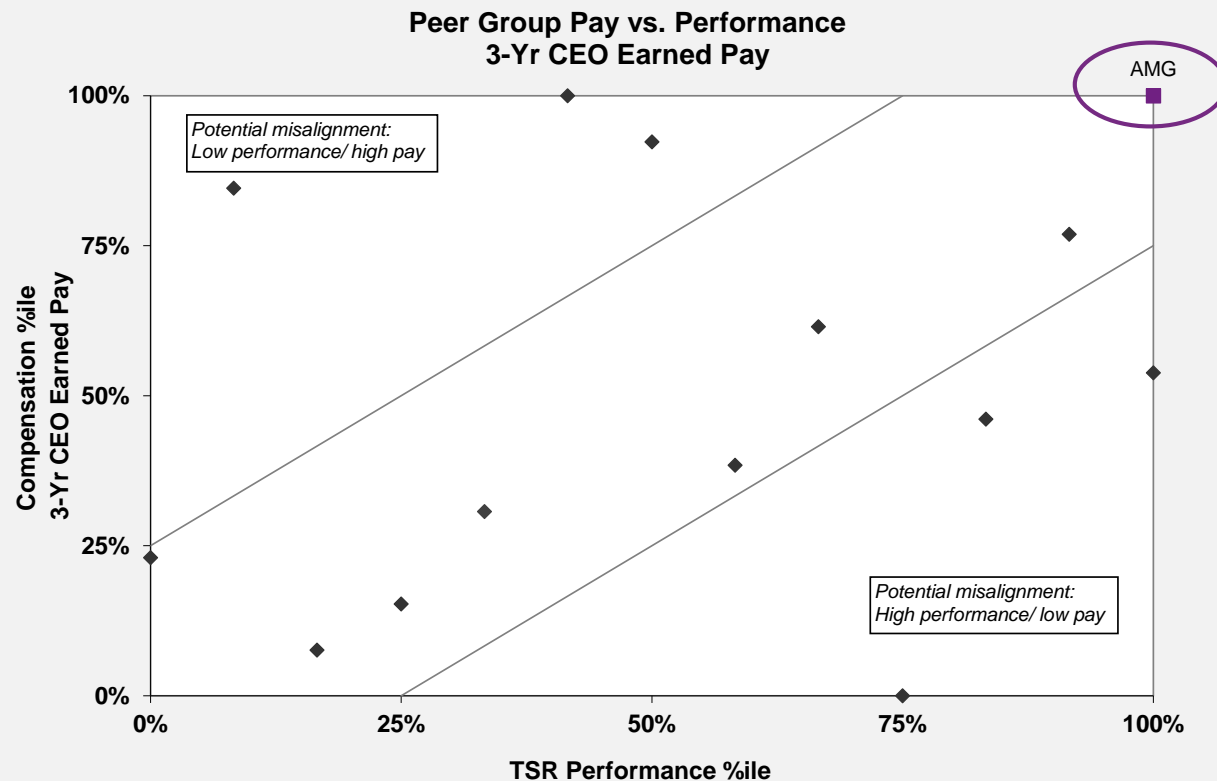
Note: AMG market capitalization comprises historical data per Yahoo Finance from January 1, 2015 through Dec 29, 2017, calculated using the 27.6m shares outstanding at the beginning of 2015, and 29.9m shares outstanding as of Dec 29, 2017.

COMPENSATION OBSERVATIONS FOR 2018

- Metrics for 2018 – same as 2017
- Continue to rebalance our components of compensation
 - No salary increases
 - Maintain emphasis on long term incentives tied to total shareholder return

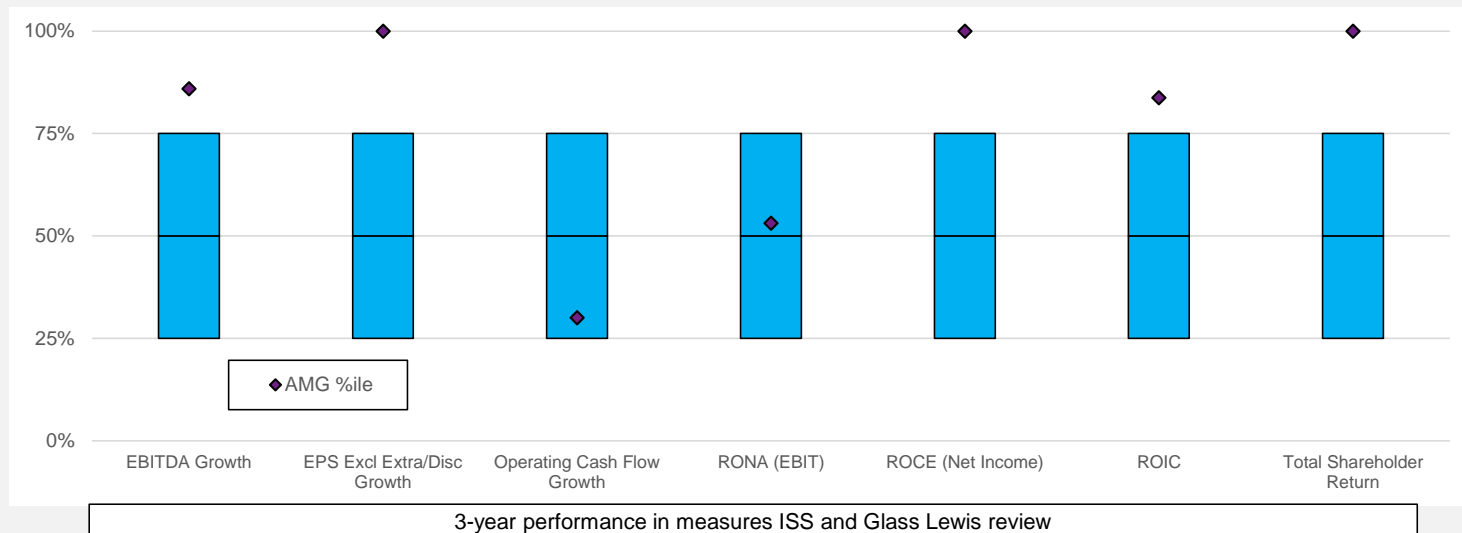
CEO PAY-FOR-PERFORMANCE ALIGNMENT

- AMG's earned pay, which captures the value of incentive plan payouts, stock awards at vesting, and stock options at exercise, is considered along with TSR performance relative to peers
- Pay and TSR are both the highest among the peers



RELATIVE FINANCIAL PERFORMANCE CONSIDERATIONS

- Relative performance has also been strong, as reviewed under the measures US proxy advisors ISS and Glass Lewis review*
 - Top quartile income statement growth
 - Operating cash flow growth is the only measure below median
 - Median or better returns
 - Best-in-class TSR



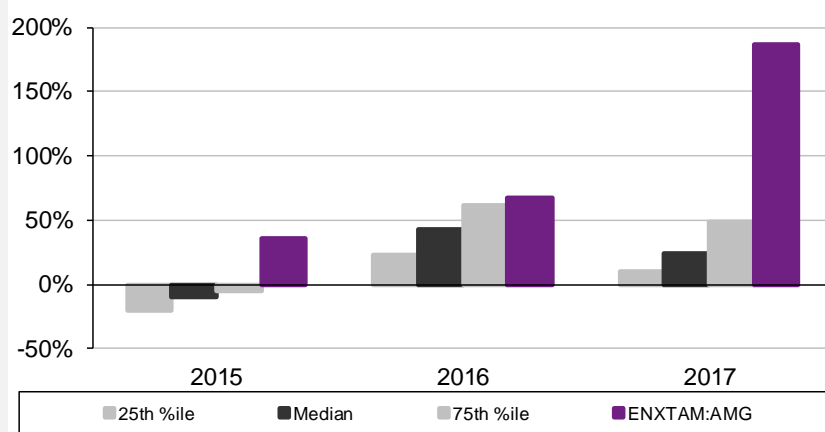
Source: S&P's Capital IQ database

WillisTowersWatson

TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE

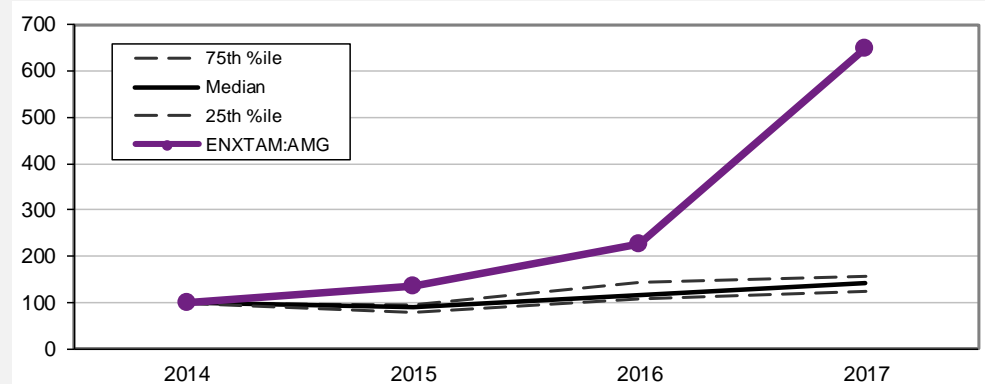
AMG's shareholder return over the last three years is far above all peers

Total Shareholder Return



Total Shareholder Return

Indexed: 2014 = 100



WillisTowersWatson