

**RULES OF PROCEDURE OF THE MANAGEMENT BOARD**

- of -

**AMG ADVANCED METALLURGICAL GROUP N.V.**

## **CONTENTS**

<b>CHAPTER I - INTRODUCTION</b>	<b>1</b>
1. <b>STATUS</b>	<b>1</b>
<b>CHAPTER II – COMPOSITION, (RE) APPOINTMENT, INTEGRITY, REMUNERATION</b>	<b>1</b>
2. <b>COMPOSITION AND INDEPENDENCE</b>	<b>1</b>
0. <b>(RE)APPOINTMENT, TERM AND RESIGNATION</b>	<b>2</b>
4. <b>REMUNERATION</b>	<b>2</b>
<b>CHAPTER III – FUNCTIONS, TASKS, RESPONSIBILITIES</b>	<b>3</b>
5. <b>TASKS AND RESPONSIBILITIES OF THE MANAGEMENT BOARD</b>	<b>3</b>
6. <b>FUNCTIONS OF THE CHAIRMAN</b>	<b>4</b>
<b>CHAPTER IV – REPORTING</b>	<b>4</b>
7. <b>ANNUAL REPORT</b>	<b>4</b>
8. <b>QUARTERLY REPORTING</b>	<b>4</b>
<b>CHAPTER V – MANAGEMENT BOARD MEETINGS, DECISION-MAKING</b>	<b>4</b>
9. <b>MANAGEMENT BOARD MEETINGS</b>	<b>4</b>
10. <b>DECISION-MAKING</b>	<b>5</b>
<b>CHAPTER VI – CONFLICT OF INTERESTS</b>	<b>5</b>
11. <b>PRACTICES ENTAILING A CONFLICT OF INTEREST</b>	<b>5</b>
12. <b>NOTIFICATION OF CONFLICT OF INTEREST</b>	<b>6</b>
13. <b>DECISION-MAKING AND CONFLICT OF INTEREST</b>	<b>6</b>
14. <b>SECURITIES TRADING</b>	<b>6</b>
<b>CHAPTER VII – RELATIONSHIP WITH OTHER ORGANS OF THE COMPANY</b>	<b>6</b>
15. <b>RELATIONSHIP WITH THE SUPERVISORY BOARD</b>	<b>6</b>
16. <b>RELATIONSHIP WITH THE SHAREHOLDERS OF THE COMPANY</b>	<b>7</b>
<b>CHAPTER VIII – MISCELLANEOUS</b>	<b>7</b>
17. <b>CONFIDENTIALITY</b>	<b>7</b>
18. <b>ANNUAL EVALUTATION</b>	<b>7</b>
19. <b>GOVERNING LAW</b>	<b>8</b>

**RULES OF PROCEDURE**  
**OF THE MANAGEMENT BOARD OF**  
**AMG ADVANCED METALLURGICAL GROUP N.V.**

**CHAPTER I - INTRODUCTION**

**1. STATUS**

- 1.1 These rules of procedure (the "**Rules**") have been initially adopted pursuant to article 16.4 of the articles of association (the "**Articles**") of AMG Advanced Metallurgical Group N.V. (the "**Company**") and are complementary to the rules and regulations applicable to the management board of the Company (the "**Management Board**") under Dutch law and the Articles. The Rules have been amended on 22 December 2017 to implement and reflect the principles and most of the best practice provisions embodied in the revised Dutch corporate governance code as published on 8 December 2016 and being effective as of 1.1. 2017 (the "**Code**").
- 1.2 The Rules were adopted by the Management Board on 28 November 2017 and approved by the Company's supervisory board (the "**Supervisory Board**") on 22 December 2017.
- 1.3 The Rules (as amended from time to time) are published on the Company's website [www.amg-nv.com](http://www.amg-nv.com).

**CHAPTER II – COMPOSITION, (RE) APPOINTMENT, INTEGRITY, REMUNERATION**

**2. COMPOSITION AND INDEPENDENCE**

- 2.1 In accordance with article 14.2 of the Articles, the Supervisory Board shall determine the number of managing directors of the Company (the "**Managing Directors**" and each a "**Managing Director**"). The Supervisory Board shall appoint one of the Managing Directors as Management Board Chairman (the "**Chairman**") and may appoint a deputy chairmen (the "**Deputy Chairman**"). The Chairman is President of the Company and shall have the title "Chief Executive Officer" (the "**CEO**").
- 2.2 The Management Board shall appoint a Chief Operating Officer (the "**COO**") and a Chief Financial Officer (the "**CFO**") from the Managing Directors. The appointment of the COO and CFO shall require the approval of the Supervisory Board.
- 2.3 The Chairman shall ensure the proper functioning of the Management Board as a whole.
- 2.4 The Management Board shall appoint and dismiss a company secretary (the "**Company Secretary**"). The appointment and dismissal of the Company Secretary shall require the approval of the Supervisory Board.
- 2.5 The Management Board shall function independently from any instructions issued by third parties from outside the Company.
- 2.6 In the event of permanent disability of the Chairman, the Supervisory Board shall designate a successor as Chairman from the Managing Directors.

3. **(RE)APPOINTMENT, TERM AND RESIGNATION**

- 3.1 The Managing Directors shall be appointed for a maximum period of four years. A Managing Director may be reappointed for a term of not more than four years at a time.
- 3.2 In accordance with the Code, the main elements of the employment or services contract between a Managing Director and the Company shall be made public immediately after it is concluded. The information made public should at least include the amount of the fixed salary, the structure and amount of the variable remuneration components, any redundancy scheme, pension arrangements and performance criteria.
- 3.3 A Managing Director may not be a member of the supervisory board of more than two listed companies and/or large organizations as defined under Dutch law.
- 3.4 A Managing Director shall not accept membership of the supervisory board of another listed company outside the group to which the Company belongs (the "**AMG Group**") without the approval of the Supervisory Board.
- 3.5 A Managing Director may not be chairman of the supervisory board of another listed company outside the AMG Group. Other positions in other companies or organizations, held by a Managing Director outside the AMG Group shall be notified to the Supervisory Board and shall be discussed annually by the Supervisory Board.

4. **REMUNERATION**

- 4.1 The remuneration of the Managing Directors shall be determined within the scope of the remuneration policy adopted by the general meeting of shareholders of the Company (the "**General Meeting**").
- 4.2 The remuneration of each individual Managing Director shall be determined by the Supervisory Board with due observance of the remuneration policy. The remuneration policy shall contain provisions regarding remuneration of Managing Directors in the form of shares or options, if any. Annually the Supervisory Board will report about the number of shares and options granted to each Managing Director in accordance with the remuneration policy.
- 4.3 Shares in the Company granted without a financial consideration to be paid by a Managing Director shall be retained from the date of the award, for a period of at least five years or until at least the end of the employment of the relevant period.
- 4.4 The Supervisory Board may adopt rules concerning ownership of and transactions in securities by Managing Directors, in addition to regulations in respect of securities issued by the Company. If applicable, such regulations shall be posted on the Company's website.
- 4.5 Each Managing Director shall commit that he or she shall abide by the applicable market abuse rules on trading in securities and he shall procure that also his closely affiliated persons as defined in such rules, observe such rules as well.
- 4.6 The compensation in the event of dismissal or resignation of a Managing Director shall be as prescribed in the remuneration policy.

## CHAPTER III – FUNCTIONS, TASKS, RESPONSIBILITIES

### 5. TASKS AND RESPONSIBILITIES OF THE MANAGEMENT BOARD

- 5.1 The Managing Directors shall be collectively responsible for creating a culture within the AMG Group that is focused on long-term value creation. Such responsibilities shall comprise the Company's management and the general affairs of the Company's business and of the AMG Group's business. Each Managing Director shall serve the best interests of the Company with a view to creating long term value, while carrying out his responsibilities and will take into account the interests of all the Company's stakeholders.
- 5.2 The Management Board shall draw up and update as necessary a code of conduct and monitor its effectiveness and compliance with the Code and shall establish a procedure for reporting actual or suspected irregularities within the Company or its group companies. The Management Board shall further adopt values for the Company and the AMG Group (the "**AMG Values**") and is responsible for maintenance of the AMG Values within the Company and its group companies by encouraging behaviour that is in keeping with the AMG Values and propagating these by leading by example. In this regard specific attention shall be given to the strategy and the business model, the environment in which the Company and the AMG Group operate and the existing culture within the Company and the AMG Group.
- 5.3 The Managing Directors shall determine which tasks and duties in particular will concern each Managing Director, subject to article 2 of these Rules and article 15.2 of the Articles. During the absence of a Managing Director, the respective duties and powers shall be carried out by another Managing Director to be designated by the Management Board. In case of long-term absence, the Management Board will notify the Supervisory Board thereof and the Supervisory Board, in accordance with article 18.1 of the Articles, may provide for temporary replacement.
- 5.4 In view of the Management Board's collective responsibility, each Managing Director shall report to the Management Board on a regular basis in such a manner as to give the Management Board a proper insight in the performance of his duties.
- 5.5 Under the supervision of the Supervisory Board and unless otherwise provided for in the Articles, the Management Board shall be responsible for setting up and maintaining internal procedures ensuring that the Management Board is aware of all material financial information in order to ensure timely, complete and accurate external financial reporting.
- 5.6 The Management Board shall appoint the senior internal auditor whose appointment and dismissal is subject to the approval of the Supervisory Board. The senior internal auditor shall draw up an internal audit plan for approval by the Management Board and Supervisory Board, by involving the Management Board, the Audit & Risk Committee and the external auditor in this process. Once per year the Management Board will review the functioning of the internal audit function and the senior internal auditor.

## 6. FUNCTIONS OF THE CHAIRMAN

The Chairman is responsible for, amongst other things:

- (a) coordinating the management policy of the Company;
- (b) ensuring the effective and collective functioning of the Management Board;
- (c) coordinating the agenda and chairing meetings of the Management Board;
- (d) maintaining contacts with the Supervisory Board and in particular with its chairman, and informing the other Managing Directors in a timely and comprehensive manner about the results of those contacts;
- (e) maintaining contacts with the shareholders of the Company.
- (f) procure that there shall be an appropriate speak-up and reporting policy.

## CHAPTER IV – REPORTING

### 7. ANNUAL REPORT

- 7.1 The annual report shall contain the information required by Dutch law and by the Code.
- 7.2 The annual report, shall contain a report from the Management Board in which it shall report about all matters required under Dutch law and the Code, including the operations and financial results of the Company and the AMG Group, the internal risk management and control systems, application of the AMG Values within the Company and the AMG Group, the effectiveness and compliance with AMG's Code of Business Conduct, as well as any changes or improvements thereto compared to previous years.
- 7.3 Finally, the annual report shall mention any items where the Company's policy deviates from the Code with an explanation.

### 8. QUARTERLY REPORTING

The Management Board shall report to the Supervisory Board on a quarterly basis the results of the Company in the previous period, including a comparison of the figures and budget, also in relation to the same period in the previous financial year and with reference to the most important developments in that period.

## CHAPTER V – MANAGEMENT BOARD MEETINGS, DECISION-MAKING

### 9. MANAGEMENT BOARD MEETINGS

- 9.1 As a rule the Management Board shall meet at least every month and whenever one or more Managing Directors have requested a meeting. The meetings shall generally be held at the offices of the Company or any of its subsidiaries, but may also take place elsewhere. Meetings may be held by telephone or videoconference.
- 9.2 The Chairman shall chair the meeting and in his absence the Management Board shall appoint one of the other Managing Directors to chair the meeting.

- 9.3 The meetings shall be convened in due time on behalf of the Chairman or the Company Secretary.
- 9.4 Convocation of a meeting shall be made in writing and/or electronically. The convocation shall include the agenda and other documents relevant for the meeting. In urgent matters, convocation may take place in a different manner.
- 9.5 The Chairman shall determine the agenda of each meeting. Each Managing Director may submit to the Chairman items to be discussed in the meeting.
- 9.6 The Company Secretary shall keep minutes of the proceedings at meetings of the Management Board and will circulate these minutes within the Management Board. The minutes shall be adopted by the Management Board and in evidence thereof signed by the chairman and the secretary of the meeting adopting the minutes.

## 10. **DECISION-MAKING**

- 10.1 In meetings of the Management Board, each Managing Director shall have one vote. The Management Board decides by an absolute majority of the votes cast.
- 10.2 Resolutions may be passed outside a meeting if all members of the Management Board have given their vote in favour of the proposal in writing, by telephone, e-mail, telefax or by other means of communication. The Company Secretary shall draw up a report regarding a resolution that is adopted in this way which shall be signed by the Chairman and the Company Secretary.
- 10.3 Resolutions on any items not placed on the agenda shall only be made if approved by all Managing Directors.
- 10.4 A Managing Director can participate in a board meeting by telephone or by other means of communication, provided that Managing Director can at all times understand all Managing Directors participating in that meeting, and can be understood by these Managing Directors. The Management Board may hold a board meeting by telephone or by other means of communication, provided the lines of communication are stable and clear.

## **CHAPTER VI – CONFLICT OF INTERESTS**

### 11. **PRACTICES ENTAILING A CONFLICT OF INTEREST**

- 11.1 A Managing Director shall not:
- (a) enter into competition with the Company;
  - (b) demand or accept (substantial) gifts for himself or a closely affiliated person in any way whatsoever in relation to his office;
  - (c) provide unjustified advantages to third parties to the detriment of the Company; and
  - (d) take advantage of business opportunities to which the Company is entitled for himself or a closely affiliated person in any way whatsoever.
- 11.2 A Managing Director may have a conflict of interest with the Company if:

- (a) a Managing Director personally has a material financial interest in a company with which the Company intends to enter into a transaction;
- (b) a Managing Director's closely affiliated person is a member of the managing or supervisory board of a company with which the Company intends to enter into a transaction; or
- (c) a Managing Director is a member of the managing or supervisory board of a company with which the Company intends to enter into a transaction;
- (d) Under applicable law, including the rules of any stock exchange on which the Company's shares are listed, a conflict of interest exists or is deemed to exist, and also when the Supervisory Board has determined that a conflict of interest exists or is deemed to exist.

## 12. **NOTIFICATION OF CONFLICT OF INTEREST**

Each Managing Director shall without delay report any (potential) conflict of interest that is of material significance to the Company and/or to such Managing Director, to the chairman of the Supervisory Board and to the other Managing Directors. A Managing Director with such (potential) conflict of interests must provide the chairman of the Supervisory Board and the other Managing Directors with all information relevant to the conflict. The Supervisory Board shall decide, without the Managing Director concerned being present, whether there is a conflict of interest.

## 13. **DECISION-MAKING AND CONFLICT OF INTEREST**

A Managing Director shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the Company. Such transaction must be concluded on market practice terms and be approved by the Supervisory Board.

## 14. **SECURITIES TRADING**

The Management Board shall procure that its members will take appropriate measures to safeguard that any trading in securities issued by the Company, takes place in accordance with the prevailing Insider Dealing Regulations of the Company. With respect to trading in securities issued by group companies or companies with whom the Company is doing business or is otherwise engaged, the Management Board members will follow the instructions and/or guidance issued by the Chief Compliance Officer of the Company, if and when such instructions and/or guidance are deemed warranted by the Chief Compliance Officer.

## **CHAPTER VII – RELATIONSHIP WITH SUPERVISORY BOARD**

### 15. **RELATIONSHIP WITH THE SUPERVISORY BOARD**

- 15.1 The Management Board shall timely provide the Supervisory Board with information on all facts and developments concerning the Company and the AMG Group, which the Supervisory Board may need to function and to properly carry out its duties.

- 15.2 Each year the Management Board shall provide the Supervisory Board with a budget for the following year, an up-to-date version of its long-term plans, the main features of the strategic policy, the general and financial risks, and the risk management and control systems of the Company and the AMG Group and the compliance with all relevant laws and regulations. This information will be provided in time so as to enable the Supervisory Board to give its approval by December of the then current year.
- 15.3 The Supervisory Board shall adopt rules of procedure of the Supervisory Board ("**Supervisory Board Rules**"). The Management Board shall comply with and be bound by the obligations arising from the Supervisory Board Rules to the extent that they apply to the Management Board and the members of the Management Board.
16. **RELATIONSHIP WITH THE SHAREHOLDERS OF THE COMPANY**
- 16.1 The Managing Directors shall attend the General Meetings, unless they are prevented from attending on serious grounds.
- 16.2 The Management Board shall provide the General Meeting with any information it may require pursuant to applicable law and the Code, unless important interests (*zwaarwegende belangen*) of the Company or any law, rules or regulations applicable to the Company prevent it from doing so. The Management Board shall specify the reasons for invoking such important interests.
- 16.3 The Management Board is responsible for the corporate governance structure of the Company and is accountable to the General Meeting. Each year the broad outline of the Company's corporate governance structure shall be set forth in a separate chapter of the annual report. In this chapter the Company should explain as to why they did not comply with certain, if any, best practice provisions of the Code. Each significant change in the Company's corporate governance structure and the compliance of the Code shall be addressed in a separate item on the agenda for consideration by the General Meeting.

## **CHAPTER VIII – MISCELLANEOUS**

### **17. CONFIDENTIALITY**

Managing Directors shall treat all information and documentation acquired within the framework of their position as member of the Management Board ("Information") with the necessary discretion and, in the case of non-public price sensitive Information, with the appropriate secrecy. Each Managing Director shall procure that Information shall not be disclosed outside the Supervisory Board or Management Board, made public or otherwise made available to third parties, also after his resignation from the Management Board, unless (i) the Information has been made public by the Company (ii) the Information is already in the public domain or (iii) the Company is obliged to disclose the Information pursuant to law.

### **18. ANNUAL EVALUATION**

Once per year the Management Board will evaluate its own functioning as well as of the individual Management Board members, the results of which shall be shared with the Chairman of the Supervisory Board.

19. **GOVERNING LAW**

These Rules are complementary to the rules and regulations (from time to time) applicable to the Management Board under Dutch law or the Articles. Where these Rules of Procedure are inconsistent with Dutch law or the Articles, the law or, as the case may be, the Articles shall prevail.