

CRITICAL MATERIALS FOR A SUSTAINABLE PLANET

Remuneration Report | Annual General Meeting May 2023



AMG ADVANCED METALLURGICAL GROUP N.V.

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This document has not been approved by any competent regulatory or supervisory authority.

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2022 REMUNERATION POLICY

- AMG's shareholders voted in 2021 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

2022 ANNUAL BONUS STRUCTURE

The key changes to our Annual Bonus structure included:

- 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 ESG targets to our Annual Bonus award at a weighting of 20%.
- Reducing the Personal Target weighting from 20% to 10% and the Financial Targets from 80% to 70%.

2022 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 2022, payouts are based 100% on relative Total Shareholder Return versus the global sector peers we utilize to benchmark Management Board pay.
- For awards granted, 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

- Every year, the Remuneration Committee of the Supervisory Board reviews, confirms and uses an executive compensation peer group for benchmarking purposes.
- During 2022, the Supervisory Board utilized a peer group that was established with the assistance of our independent adviser Mercer Limited (“Mercer”).
- This peer group features 12 of 17 peers which are listed and domiciled in Europe and has been used for the basis of reviewing our Remuneration Policy and how we will implement it in 2022.

- 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 2022

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: 200% of Base Salary
- Eric Jackson: 95% of Base Salary
- Jackson Dunckel: 95% of Base Salary

- 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 2022

Based on annual budget approved by the Supervisory Board

FINANCIAL MEASURES:

- Cash flow from operations 35%
- EBITDA 35%

NON-FINANCIAL MEASURES:

- ESG Measures 20%
- Management Board Strategic Targets 10%

AS % OF SALARY

TARGET BONUSES

85% CEO
65% COO
65% CFO

MARKET P50

100%
75%
75%

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

2022 ANNUAL BONUS CALCULATION

MEASURE	TARGET	ACTUAL	ACTUAL % VS TARGET	ACHIEVEMENT VS TARGET	2021	TARGET % VS 2021
Financial Measures – 70% of total, comprising:						
Operating Cash Flow (35%)	\$74.7M	\$167.6M	224%	200%	\$90.8M	(18%)
EBITDA (35%)	\$175.5M	\$342.6M	195%	200%	\$136.7M	28%
Non-financial Measures – 30% of total, comprising:						
ESG Measures (20%)						
Lost Time Incident Rate (6.7%)	1.05	0.46	(56%)	200%		
Enabling CO ₂ Reduction (6.7%)	86	99	115%	167%		
CO ₂ Intensity (6.7%)	3.09	2.65	(14%)	188%		
Management Board Strategic Targets (10%)	Qualitative	Sig. Above	Sig. Above	200%		
TOTAL ANNUAL INCENTIVE AWARD				197%		

2022 BONUS RESULTS

MANAGEMENT BOARD	SALARY <i>(IN USD IN THOUSANDS)</i>	TARGET BONUS %	TARGET BONUS
Heinz Schimmelbusch	\$1,013	85%	\$861
Eric Jackson	\$828	65%	\$538
Jackson Dunckel	\$628	65%	\$408

MANAGEMENT BOARD	TARGET BONUS <i>(IN USD IN THOUSANDS)</i>	MULTIPLIER	2022 BONUS
Heinz Schimmelbusch	\$861	1.97x	\$1,697
Eric Jackson	\$538	1.97x	\$1,061
Jackson Dunckel	\$408	1.97x	\$805

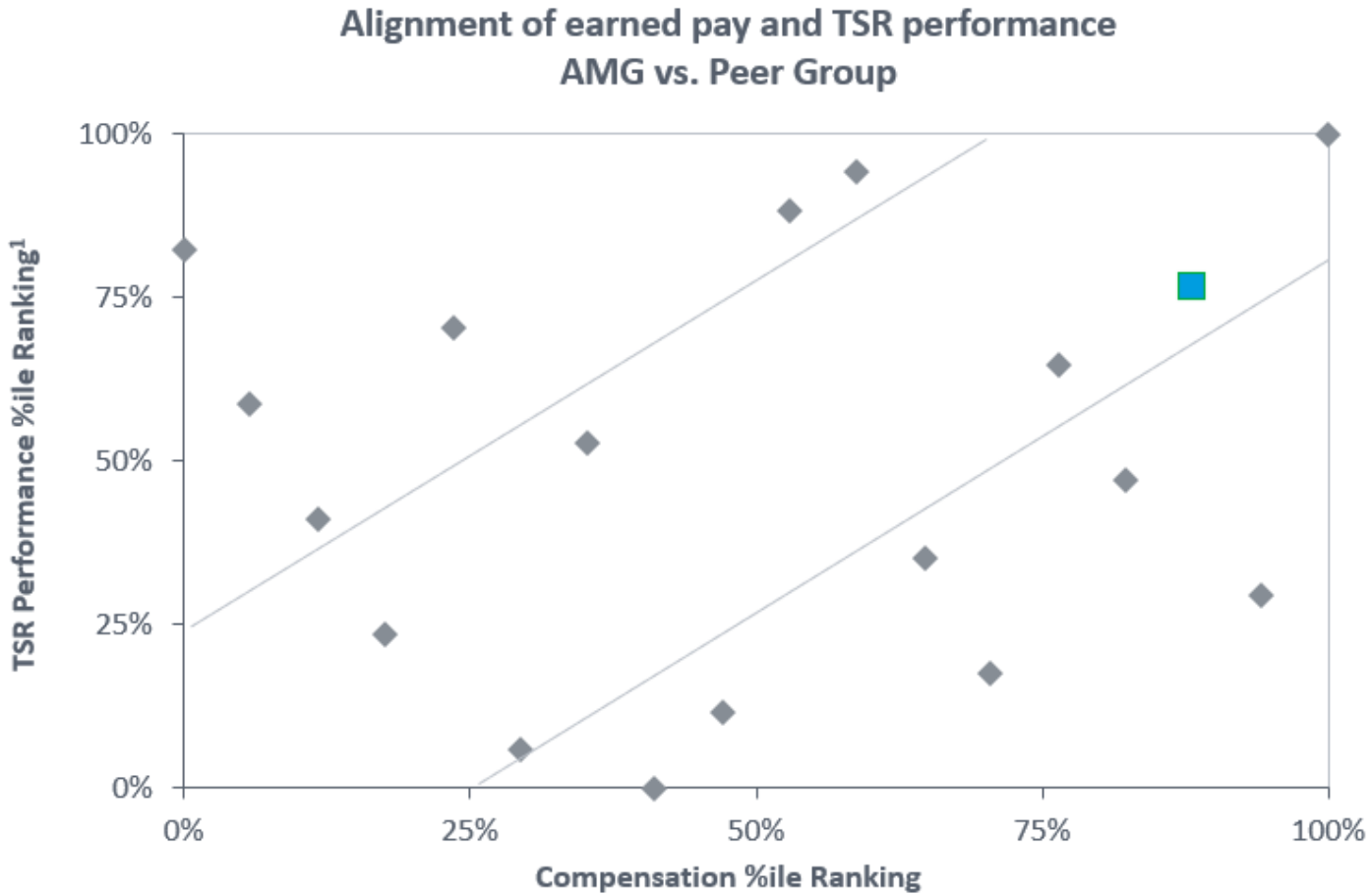
MANAGEMENT BOARD REALIZED PAY 2022

USD 000'S	YEAR	BASE SALARY	ANNUAL BONUS	PSUs ¹	OPTIONS ²	PENSION	OTHER	TOTAL
Heinz Schimmelbusch, CEO	2022	1,013	1,697	4,078	72	210	196	7,266
	2021	1,046	1,582	1,265	169	181	175	4,418
Eric Jackson, COO	2022	828	1,061	1,584	24	116	54	3,667
	2021	841	973	429	50	103	42	2,438
Jackson Dunckel, CFO	2022	628	805	1,200	21	406	38	3,098
	2021	641	742	372	50	417	41	2,263

¹ PSU updated for actual payout based on vesting in March 2023 and final multiplier was 1.75x.

² See annual report for additional details on option calculation.

CEO EARNED PAY VS. TSR PERFORMANCE AMG PEER GROUP (3-YEAR ANALYSIS)

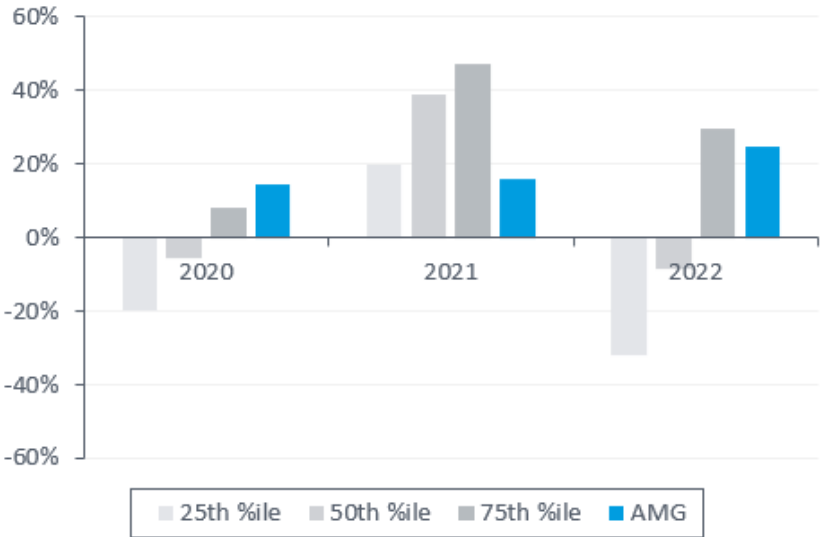


1. Spot TSR

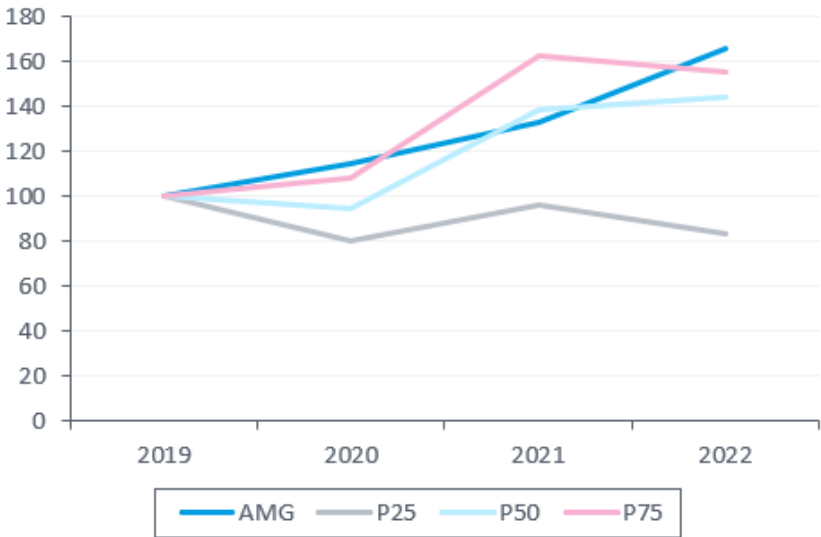
TSR PERFORMANCE

AMG PEER GROUP

Total Shareholder Return

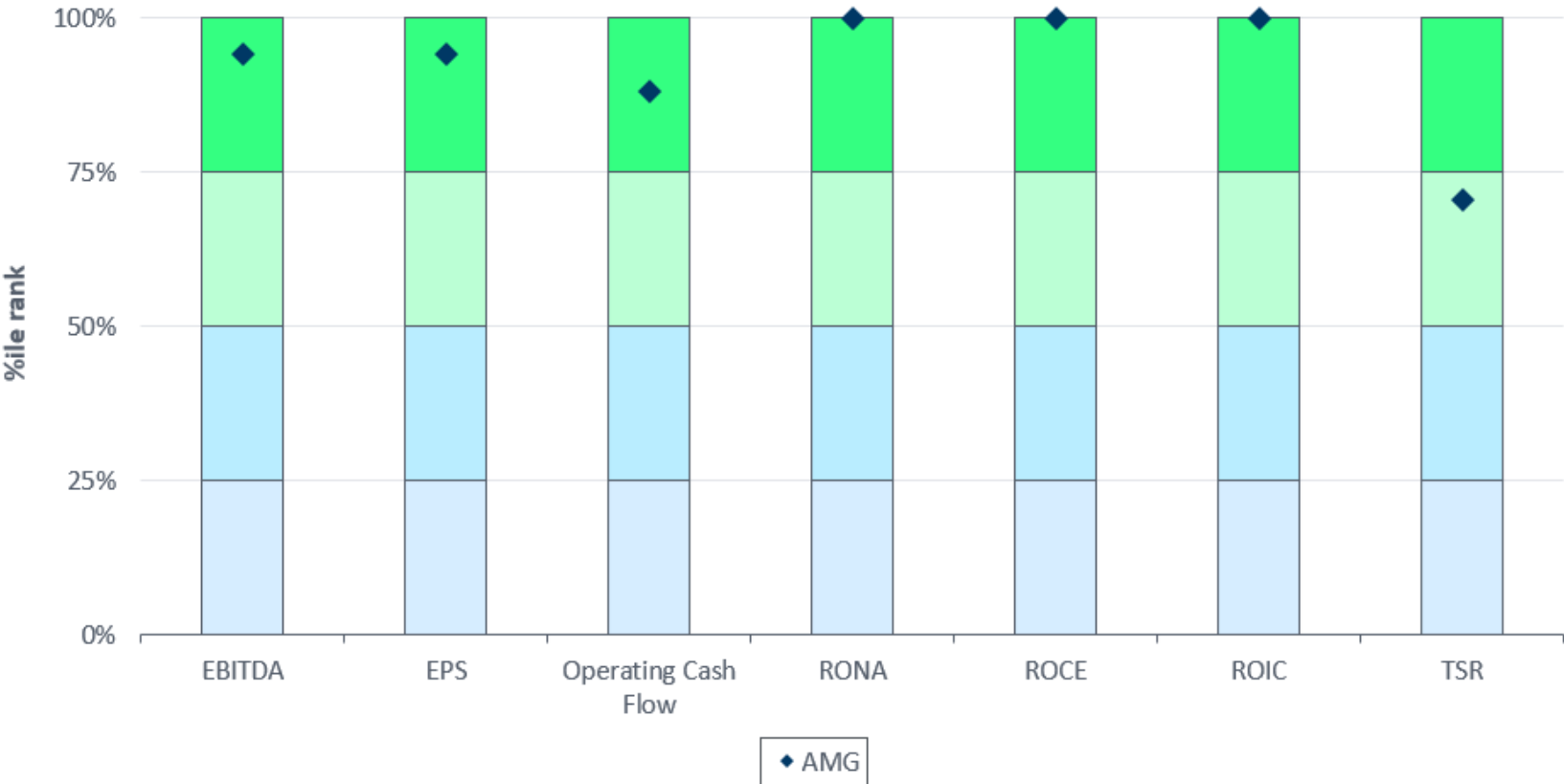


Total Shareholder Return
Indexed: 31/12/2019 = 100



RELATIVE PERFORMANCE IN PROXY ADVISOR METRICS

AMG PEER GROUP (1-YEAR ANALYSIS)





LITHIUM LAB



LITHIUM HYDROXIDE - BITTERFELD, GERMANY



LIVA BATTERY



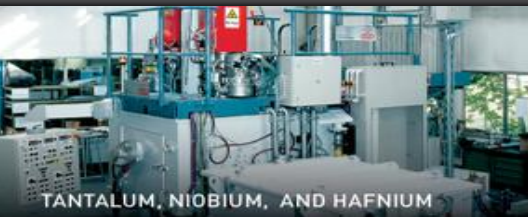
LI PROCESSING, AMG BRAZIL



TITANIUM



PLUTONIUM



TANTALUM, NIOBIUM, AND HAFNIUM



VANADIUM, MOLYBDENUM AND NICKEL - CAMBRIDGE, OHIO



VANADIUM, MOLYBDENUM AND NICKEL - ZANESVILLE, OHIO



LITHIUM TAILINGS



ENGINEERING - HANAU, GERMANY



MELTSHOP - ZANESVILLE, OHIO



V₂O₅

This announcement appears as a matter of record.



AMG's LAW:

“Everything that can be recycled will be recycled.”

AMG ADVANCED METALLURGICAL GROUP N.V.

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