

Pursuant to the resolution of the shareholders' meeting of July 4, 2007 and the resolution of the Supervisory Board of September 27, 2007

The German version of the Articles of Association shall be binding. The English translation is for information purposes only.

A R T I C L E S O F A S S O C I A T I O N

of

voestalpine AG

Article 1

Company Name, Corporate Domicile, Duration

- (1) The joint stock company bears the name voestalpine AG.
- (2) The registered domicile of the company is in Linz.
- (3) The life of the company is not limited to a specific term.

Article 2

Object of the Company

- (1) The object of the company is to act as a holding company with respect to the companies merged into a group under its centralized management within the meaning of Sec. 15 AktG [*remark: AktG means the Austrian Stock Corporation Act*].

The object of these group companies includes in particular research and development in the sphere of metallurgy, metal processing and materials engineering, and the production, processing and distribution of materials, in particular steel and products made of steel; the research and development of

new production technologies, trade, and the provision of commercial, technical and organizational services.

- (2) The company shall further obtain and process personal data electronically.
- (3) The company is entitled to set up branches in Austria and abroad, to make equity investments in other companies of all kinds in Austria and abroad, to acquire, establish and sell such companies and to undertake all transactions which are capable of directly or indirectly promoting the interests of the company or its group.

Article 3

Publications

The publications of the Company shall appear in the Official Gazette "Amtsblatt zur Wiener Zeitung".

Article 4

Share Capital and Shares

- (1) The share capital of the company amounts to EUR 298,756,264.42 (two hundred and eighty nine million, seven hundred and fifty six thousand two hundred and sixty four million euro, 42/100) and is divided into 164,439,033 (one hundred sixty four million four hundred and thirty nine thousand and thirty three) individual share certificates.
- (2) The Management Board is authorized,
 - a) to increase, up to June 30, 2010, the share capital of the company by up to EUR 57,556,884.66, if necessary in several tranches, by issuing of up to 31.680.000 ordinary bearer shares with no par value,

against cash contribution or contribution in kind, in the latter case especially by contributing stakes, enterprises, firms and parts of firms, including the partial or whole exclusion of the subscription right of the shareholders. The respective exercise, the rate of issuance and the terms of issuance are to be determined in accordance with the Supervisory Board. The Supervisory Board is authorized to resolve upon the amendments of the Articles of Association which result from the issuance of shares of the authorized capital stock.

b) to increase, up to June 30, 2010, the company's share capital by a further amount of up to EUR 28,778,442.33, if necessary in several tranches, by issuing of up to 15.840.000 ordinary bearer shares with no par value for issuance to employees, executive officers and board members of the Management Board of the Company within the scope of an employee participation program or share option program, excluding the subscription right of the shareholders. The respective exercise, the rate of issuance and the terms of issuance are to be determined in accordance with the Supervisory Board. The Supervisory Board is authorized to resolve upon the amendments of the Articles of Association resulting from the issuance of shares of the authorized capital stock.

- (3) The shares shall be bearer shares.
- (4) The signatures of two members of the Management Board and of the Chairman of the Supervisory Board produced through mechanical copying shall serve for the purposes of signature of the share certificates.
- (5) No claim for individual certification of the shares may be made. Any actually issued shares of par value shall retain their validity as bearer shares, in which case one share with a par value of ATS 100.-- shall correspond to one bearer share.
- (6) The Share Capital of the Company is increased by up to EUR 28.778.442,33 according to Section 159 subsection 2 No 1 Stock Corporation Act

(Aktiengesetz) by issuing up to 15,840,000 (fifteen million eight hundred and forty thousand) ordinary bearer shares with no par value in order to serve holders of convertible bonds, to which the Management Board has been authorized to issue in the Annual General Meeting as of June 30, 2005. The capital increase shall only be effected to the extent that holders of convertible bonds exercise their subscription right and/or their conversion right with respect to Shares of the Company. The issue price is calculated on the basis of the volume weighted average market price of the Vienna Stock Exchange between start of trading and price fixing at the day of allotment of convertible bonds plus a premium of 30 % or a respective higher premium, which shall be deemed to meet the expectations of the development of the share price of the Company under consideration of similar transactions on the relevant market, whereas the duration, interest and volume of a transaction shall be decisive when determining the similarity of the respective transaction. The newly issued Shares of the conditional capital increase shall be entitled to dividends to the same extent as already existing Shares of the Company. The Supervisory Board is authorized to resolve upon the amendments to the Articles of Association required by the issue of Shares using the Conditional Capital. The same applies in case the authorization to issue convertible bonds has not been exercised by the Management Board within the period of five years as well as in case the Conditional Capital has not been used after expiration of the conversion periods according to the conditions of the convertible bonds.

Article 5

Management Board – General Matters, Resolutions

- (1) The Management Board of the company shall comprise two to six members.
- (2) The appointment of deputy Management Board members is admissible; they shall be counted against the number set out under clause (1) above.

- (3) In the event of votes, each Management Board member (including a deputy) shall be afforded one vote. The Management Board shall resolve by a simple majority of votes cast.
- (4) If a Management Board member is appointed as Chairman of the Management Board, he shall have a casting vote in the event of a tie (right of casting vote).
- (5) The Management Board shall draw up rules of internal procedure in which the distribution of business amongst the Management Board members shall be laid down; the Supervisory Board shall approve the rules of internal procedure and the distribution of business.

Article 6

Management, External Representation

- (1) The Management Board shall conduct business in compliance with the law, the Articles of Association and its internal rules of procedure.
- (2) The company shall be represented externally by two Management Board members, by a Management Board member together with an authorized representative (Prokurist), or, within the scope of their statutory representative authority, by two authorized representatives together. The representative authority of deputy Management Board members shall be equivalent to the representative authority of the regular Management Board members.

Article 7

Reports to the Supervisory Board

- (1) The Management Board shall report to the Supervisory Board at least annually on fundamental questions related to the company's future business policy, and shall present the future development of the net worth, financial position and income situation of the company in the form of a forecast (annual report).
- (2) The Management Board shall also report to the Supervisory Board regularly, at least quarterly, on the progress of business and the current situation as compared to the forecast, giving consideration to future developments (quarterly report). The report must also provide information on the position of the principal group and associated companies.
- (3) If a serious situation arises, an immediate report is to be delivered to the Chairman of the Supervisory Board; in addition, a report in relation to circumstances which are of major significance to the profitability or liquidity of the company (special report) must be delivered immediately to the Supervisory Board.
- (4) The annual report and the quarterly reports are to be produced in writing.
- (5) The Management Board shall present consolidated annual financial statements and a consolidated management report to the Supervisory Board together with the company's annual financial statements.
- (6) The Supervisory Board shall be entitled to demand further reports regarding any matter concerning the company from the Management Board at any time.

Article 8

Approval of the Supervisory Board

The Supervisory Board shall determine which business - in addition to those circumstances prescribed by law - requires its approval. Where prescribed by law, the Supervisory Board shall also set limits in amount, up to which the approval of the Supervisory Board is not required for transactions liable for approval.

Article 9

Supervisory Board – General Matters

- (1) The Supervisory Board comprises three to ten members elected by the shareholders' meeting as well as the members delegated pursuant to Sec. 110 ArbVG [*remark: ArbVG means the Austrian Workplace Labour Relations Act*].
- (2) The members to be elected by the shareholders' meeting shall be deemed to have been elected for the longest admissible period according to Sec. 87 (2) AktG, unless they are elected for a shorter period.
- (3) If elected Supervisory Board members retire from the Supervisory Board before the end of the term of office, then a replacement election shall only be held immediately if the number of elected Supervisory Board members falls below three. The term of office of members elected in this way shall end concurrently with that of the retiring Supervisory Board members.
- (4) If all Supervisory Board members retire, then the newly elected members shall be elected for the term set out in clause (2) above.
- (5) Retiring members shall be eligible for re-election.

- (6) Each member may give up his office through written notification to the Chairman. Such withdrawal shall take effect two weeks after receipt of the notification, unless the notice of withdrawal states a different time.

Article 10

Supervisory Board - Chairman

- (1) At its first meeting, which shall be chaired by its oldest member, the Supervisory Board shall elect a Chairman and one of two deputies. The deputy shall represent the Chairman if the latter is unable to attend a meeting. If two deputies are elected, the members of the Board shall determine the order in which they represent the Chairman.
- (2) If the Chairman should retire from office during a term of office, then the Supervisory Board must elect a new Chairman or deputy during its next meeting. Should both elected deputies retire from office during their term of office or a single elected deputy retire from office during his term of office, then the Supervisory Board must elect at least one new deputy during its next meeting. Should one of two elected deputies retire from office during his term of office, then the Supervisory Board can elect a new deputy
- (3) Re-election is permissible.
- (4) When representing the Chairman, the deputy Chairmen shall have the same rights and duties as the Chairman.

Article 11

Supervisory Board – Representation, Authority

- (1) A member of the Supervisory Board who is unable to attend a meeting may commission another Supervisory Board member in writing to represent him

during a single meeting; the Supervisory Board member who is being represented shall not be counted when determining whether the meeting is quorate. The right to chair the meeting may not be transferred.

- (2) A Supervisory Board member may authorize another Supervisory Board member in writing to submit a written vote on his behalf.

Article 12

Supervisory Board - Committees

- (1) The Supervisory Board shall be authorized to form committees from amongst its number and to specify their duties and rights. Committees may be appointed on a permanent basis or for individual assignments, and they may also be given decision-making authority. If the Supervisory Board comprises more than five members, a committee must in any event be appointed for auditing and preparatory work for approval of the annual financial statements.
- (2) The staff representatives on the Supervisory Board shall have the right to designate voting members for Supervisory Board committees in the ratio laid down in Sec. 110 (1) ArbVG. This shall not apply in relation to committees which deal with relations between the company and the members of the Management Board.

Article 13

Supervisory Board - Resolutions

- (1) The Supervisory Board shall be quorate if all its members have been properly invited and at least half of its members, in any event at least three, including the Chairman or his/a deputy, are present.

- (2) The Chairman shall determine the voting procedure unless the Supervisory Board resolves a different voting procedure. It is permissible that for individual members of the Supervisory Board to cast their vote in writing, by telephone or in another comparable form. This does not prejudice the requirement for a quorum.
- (3) The Supervisory Board shall resolve on the basis of a simple majority of votes cast. In the event of a tie, including in elections, the Chairman shall have a casting vote.
- (4) In urgent cases, voting may be taken in writing, by telephone or in another comparable form without a Supervisory Board meeting being held (circulated vote), provided no Supervisory Board member opposes this procedure in writing within the period stipulated by the Chairman. To qualify as a quorum, all Supervisory Board members must be invited to vote and at least half of the members, including the Chairman or his/a deputy, and in any event at least three members, must have voted. Members may not be represented by other members of the Supervisory Board during a circulated vote.

Article 14

Supervisory Board - Duties

- (1) The Supervisory Board shall monitor the Management Board with respect to its management activities.
- (2) The Supervisory Board shall examine the reports and motions of the Management Board and shall pass resolutions in this respect.
- (3) The Supervisory Board shall examine the annual financial statements, the profit distribution proposal and the management report and shall report to the shareholders' meeting in this respect. The Supervisory Board shall make a declaration to the Management Board in relation to the annual financial statements within two months after their submission.

- (4) The Supervisory Board is obliged to convene a shareholders' meeting if this is necessary in the interest of the company.
- (5) The Supervisory Board may resolve amendments to the Articles of Association which relate solely to their wording, specifically in conjunction with the approved capital (Article 4 (2) herein).
- (6) The Supervisory Board shall issue internal rules of procedure for the purposes of regulating the performance of its obligations.

Article 15

Supervisory Board – Remuneration

- (1) When attending meetings of the Supervisory Board or of a committee, the members of the Supervisory Board shall receive an attendance allowance in the amount of EUR 500,- and shall be reimbursed for their cash expenditures including reasonable travelling expenses.
- (2) As reimbursement for their work, the elected members of the Supervisory Board shall receive per financial year a total of one-tenth of one percent of the net income in accordance with the approved Group's Consolidated Financial Statement. This amount is to be divided between the Chairman, the Deputy Chairman/Chairmen, and all other members of the Supervisory Board as follows: 100% for the Chairman, 75% for the Deputy Chairman/Chairmen, and 50% for the other members of the Supervisory Board, whereby the Chairman is entitled to a minimum compensation of EUR 20,000,-, the Deputy Chairman/Chairmen a minimum compensation of EUR 15,000,-, and all other members of the Supervisory Board a minimum compensation of EUR 10,000,-. The compensation is, however, limited to four times the stipulated amounts. If the term of office of a Supervisory Board member should commence or end during the financial year, then a prorated

remuneration shall be paid. The compensation regulation shall become effective retroactively beginning with the 2005/2006 financial year.

Article 16

Supervisory Board - Meetings

- (1) The Supervisory Board shall hold a meeting at least four times a year; meetings are to be held quarterly.
- (2) Meetings of the Supervisory Board shall be convened in writing, by telegram, telex, fax or telephone, by the Chairman, or else by the Management Board on his behalf; the invitation must specify the time, place and agenda of the meeting.
The invitation shall be sent to the last notified address of each member, leaving at least fourteen days between the date of the invitation and that of the Supervisory Board meeting; in urgent cases, the Chairman may reduce this period if no Supervisory Board member opposes such a reduction within two days of receipt of the invitation.
- (3) The agenda shall be adopted by the Chairman, with consideration to the motions of the Management Board or of Supervisory Board members.
- (4) The requisite written documents relating to individual agenda items shall be made available in good time.
- (5) If a request to convene a Supervisory Board meeting, which is made in writing by at least two Supervisory Board members or the Management Board, specifying the purpose and reasons for the meeting, is not complied with by the Chairman within fourteen days, then the requesting parties may convene the Supervisory Board meeting themselves, giving details of the circumstances involved.

- (6) The Supervisory Board may only resolve on a matter put forward for deliberation which is not on the agenda if all the Supervisory Board members are present or represented and no member opposes such resolution.
- (7) The Management Board members shall attend all meetings of the Supervisory Board and its committees in an advisory capacity, provided the Chairman of the meeting does not determine otherwise.
- (8) Minutes of the meetings of the Supervisory Board are to be prepared, which must include details of the essential course of the meeting and the resolutions passed and are to be signed by the Chairman of the meeting.

Article 17

Supervisory Board – Declarations and Publications

- (1) The Supervisory Board shall be represented externally by its Chairman, and if the latter is unable to attend a meeting, by his/a deputy.
- (2) Publications by the Supervisory Board shall be made in such a way that the designation "THE SUPERVISORY BOARD" and the signature of the Chairman or his/a deputy is added to the company name.

Article 18

Shareholders' Meeting – Convening the Meeting

- (1) The shareholders' meeting of the company shall be held at the registered domicile of the company, at the registered domicile of an Austrian group company or in an Austrian state capital.
- (2) The shareholders' meeting shall be convened by the Management Board or by the Supervisory Board.

- (3) Shareholders whose combined shares amount to one twentieth of the share capital shall be entitled to request convention of a shareholders' meeting in writing, stating the purpose and reasons for such meeting. These shareholders shall similarly be entitled to require notification of items for resolution. In both cases, however, shareholders must deposit their shares at one of the offices specified in Article 19 (1) below as evidence of their entitlement, and must submit to the company the original or a certified copy of the depositary's certification in relation to the deposit at the latest when they make their request.
- (4) The meeting shall be convened via a publication in the "Amtsblatt zur Wiener Zeitung", leaving at least fourteen days between the date of the invitation and the date of the shareholders' meeting, albeit subject to the deposit deadline specified in Article 19 (2) of these Articles of Association.
- (5) The name of the company, the time and place of the shareholders' meeting and the agenda must be specified in the invitation.

Article 19

Shareholders' Meeting - Attendance

- (1) Only those shareholders who deposit their shares with the company, with an Austrian Notary Public, with the main branch of a domestic bank or with other domestic or foreign banks designated in the invitation to the shareholders' meeting during normal office hours, up to the end of the shareholders' meeting, shall be entitled to attend the shareholders' meeting.
- (2) The deposit must be made in sufficient time to leave a period of at least three working days between the deposit date and the date of the shareholders' meeting. Saturdays, Good Friday, December 24 and 31 shall not be deemed to be working days for the purposes of this provision.

- (3) Deposit shall be deemed to have duly taken place if the shares are, with the approval of a depository, held blocked for them with other banks until the end of the shareholders' meeting.
- (4) The original or a certified copy of the certificate from the depository in relation to the deposit is to be submitted to the company at the latest one working day after expiry of the deposit period.
- (5) If interim certificates are issued, then the shareholders registered in the register of shareholders are entitled to attend without deposit, provided they declare their intention to attend no later than three working days before the shareholders' meeting.
- (6) Every shareholder with voting rights may arrange to be represented by a representative holding a written power of attorney.
The powers of attorney shall be kept by the company.

Article 20

Shareholders' Meeting - Chair

- (1) The chair at the shareholders' meeting shall be taken by the Chairman of the Supervisory Board or his/a deputy. If neither of these persons is present or is prepared to chair the meeting, then the Notary Public called in to authenticate shall chair the meeting until the election of a Chairman.
- (2) The notified agenda shall determine the sequence in which matters are deliberated upon. The Chairman, if he deems necessary, may arrange for deliberation and voting in a different sequence.
- (3) The Chairman shall conduct the deliberations and determine the manner of voting.

Article 21

Shareholders' Meeting – Scope of Responsibility

- (1) The ordinary shareholders' meeting shall resolve within the first eight months of each financial year on the distribution of the net profit (balance sheet profit), on the discharge of the members of the Management Board and the Supervisory Board, the choice of the auditor for the annual financial statements and the auditor for the consolidated annual financial statements, and in those circumstances prescribed by law on the approval of the annual financial statements.
- (2) The shareholders' meeting shall also resolve in those circumstances explicitly set forth by law and in the Articles of Association, in particular on the election and dismissal of Supervisory Board members or on the amendment of the Articles of Association.
- (3) The shareholders' meeting may only resolve on questions related to the management if required to do so by the Management Board or, in the case of a business transaction for which its approval is required pursuant to Sec. 95 (5) AktG, by the Supervisory Board.

Article 22

Financial Year, Annual Financial Statements, Dividends

- (1) The financial year is the calendar year.
A shortened financial year shall run from January 1, 1997 to March 31, 1997.
With effect from April 1, 1997, financial years shall run to March 31 of the subsequent year.
- (2) During the first five months of the financial year, the Management Board shall prepare the balance sheet and the income statement (annual financial

statements) and the management report for the past financial year and present these to the Supervisory Board with a proposal in relation to the distribution of profits.

- (3) The Supervisory Board shall examine the annual financial statements, the profit distribution proposal and the management report and shall report to the shareholders' meeting in this respect.
- (4) If the Supervisory Board endorses the annual financial statements, then these shall be approved, unless the Management Board and the Supervisory Board decide that they are to be approved by the shareholders' meeting. The shareholders' meeting shall be bound by the approved annual financial statements.
- (5) The ordinary shareholders' meeting shall resolve annually on the distribution of the net profit (balance sheet profit). The shareholders' meeting may fully or partially exclude the net profit from distribution, contrary to the profit distribution proposal. The Management Board shall make amendments to the annual financial statements which are required as a result.
- (6) A dividend resolved by the shareholders' meeting for distribution shall fall due for payment thirty days after resolution by the shareholders' meeting, unless the latter resolves otherwise.
- (7) Dividends which are not taken within three years shall expire in the company's favour.

Article 23

Shareholders' Meeting - Resolutions

- (1) The shareholders' meeting shall resolve by a simple majority, unless the law or these Articles of Association provide for a different majority arrangement.

- (2) Resolutions involving amendments to the Articles of Association shall always require a majority of three quarters of the votes.

Article 24

Annual Audit

- (1) The annual financial statements and the management report shall be audited by one or more professional auditors before being submitted to the Supervisory Board.
- (2) Only sworn certified accountants and tax advisers or certified accountancy and tax advisory companies may be elected or appointed as auditors.
- (3) The auditor's audit report shall be presented to the members of the Supervisory Board in accordance with the legal regulations.

Article 25

Takeover Bid

- (1) In the event of determination of the lowest price to be bid in the case of a compulsory offer, a discount shall be excluded (Sec. 27 (1) no. 2 in conjunction with Sec. 26 (1) *Übernahmegesetz [remark: Übernahmegesetz means Austrian Takeover Act]*).
- (2) Resolutions of the shareholders' meeting within the meaning of Sec. 27 (1) and resolutions relating to the amendment to such resolutions shall require a simple majority of the share capital represented when the resolution is taken.