

COMPENSATION POLICY FOR SUPERVISORY BOARD MEMBERS

voestalpine AG

CONTENTS

1. INTRODUCTION	3
2. PRINCIPLES GOVERNING THE COMPENSATION OF THE SUPERVISORY BOARD	3
3. COMPENSATION OF SUPERVISORY BOARD MEMBERS	4
4. TERM OF OFFICE	5
5. DETERMINATION AND IMPLEMENTATION OF THE COMPENSATION POLICY	5

1. INTRODUCTION

The present Compensation Policy for the Supervisory Board of voestalpine AG determines the parameters and principles governing the compensation of the members of the Supervisory Board of voestalpine AG. It implements the requirements of Section 98a Austrian Stock Corporation Act (*Aktiengesetz – AktG*) as well as the requirements of the Austrian Corporate Governance Code, pursuant to which its preparation must be based *mutatis mutandis* on the provisions of the Compensation Policy for the Management Board as per Section 78a and 78b AktG.

The present Compensation Policy was prepared by the General Committee of voestalpine AG and resolved by the Supervisory Board at its meeting on June 2, 2020. It will be submitted to the company's 28th Annual General Meeting on July 1, 2020, for a vote. Under Section 78b (1) AktG in conjunction with Section 98a AktG, the Compensation Policy must be submitted to the Annual General Meeting at minimum once every four business years.

2. PRINCIPLES GOVERNING THE COMPENSATION OF THE SUPERVISORY BOARD

The compensation paid to the Supervisory Board is intended to compensate the Supervisory Board members elected by the Annual General Meeting ("shareholder representatives") in a way that is appropriate to the size and financial position of voestalpine AG, is based on prevailing market rates, and is competitive. The compensation is designed to enable the company to recruit sufficiently experienced and competent individuals to serve on the Supervisory Board of an international, listed Group.

The individuals representing the Works Council on the Supervisory Board are not paid any compensation above and beyond attendance fees.

Solely the Annual General Meeting determines the compensation of the Supervisory Board.

There are no contractual arrangements under labor law between voestalpine AG and the shareholder representatives on its Supervisory Board. Therefore, no relevant terms, notice periods, pension policies, or conditions governing termination and payments to be made in that connection apply.

3. COMPENSATION OF SUPERVISORY BOARD MEMBERS

The Compensation Policy that currently applies to the members of the Supervisory Board elected by the Annual General Meeting was resolved on July 5, 2006, by the Annual General Meeting effective as of the business year 2005/06 and was adjusted on July 6, 2016, effective as of the business year 2015/16.

Accordingly, the elected members of the Supervisory Board are paid a total amount equivalent to one per-mille (0.1%) of the profit after tax pursuant to the adopted consolidated financial statements. This amount is distributed among 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 all other members, with a minimum of EUR 27,000 for the Chairman; a minimum of EUR 20,000 for the Deputy Chairman/Chairmen; and a minimum of EUR 13,000 for all other members of the Supervisory Board. The compensation is limited to four times the stated amounts. Compensation paid to a Supervisory Board member whose term of office begins or ends during a business year is pro rated.

The model involving variable compensation as opposed to fixed compensation was selected in light of the fact that—given the joint and, in part, even unified responsibilities of the Management Board and Supervisory Board—the compensation paid to the Supervisory Board should not be excluded from the benefits of the company's performance. The Supervisory Board is paid minimum compensation, and it shares in the company's profit up to a certain threshold (= four times the minimum compensation). In this connection, the profit refers to that earnings category which best reflects the company's comprehensive income.

The total minimum compensation paid to the Supervisory Board is EUR 125,000. The members of the Supervisory Board are entitled to total maximum compensation of EUR 500,000 if the Group posts net consolidated profit in excess of EUR 500 million.

Pursuant to the company's Articles of Association, all members of the Supervisory Board—shareholder representatives and employee representatives alike—are paid a fee of EUR 500 per meeting of the Supervisory Board or one of its committees that they attend. In addition, they are reimbursed for cash outlays, including reasonable travel expenses, in connection with their activities as Supervisory Board members.

Just as other directors and officers of the voestalpine Group, all members of the Supervisory Board are covered by D&O insurance as well as criminal defense insurance providing adequate coverage, both of which the company has purchased for the entire Group. The cost of these insurance policies benefiting the members of the Supervisory Board are borne by the company.

4. TERM OF OFFICE

The Annual General Meeting elects the Supervisory Board's shareholder representatives for a maximum term of office in accordance with Section 87 (7) AktG. Thereunder, shareholder representatives may be elected to a maximum term of office ending as of the close of the Annual General Meeting tasked with approving their actions during the fourth business year following their election, not counting the business year in which the election took place.

The term of office of the Supervisory Board members elected on July 3, 2019, ends as of the close of the Annual General Meeting of voestalpine AG that formally approves their actions during the business year 2023/24.

The term of office of a Supervisory Board member delegated by the Works Council ends at the time the given individual is removed from office or ceases being a member of the Works Council.

5. DETERMINATION AND IMPLEMENTATION OF THE COMPENSATION POLICY

The Compensation Policy for all members of the Supervisory Board is resolved by the Supervisory Board based on the General Committee's proposal; subsequently, it is submitted to the Annual General Meeting for a vote at minimum once every four business years. The currently applicable Compensation Policy was resolved by the Supervisory Board on June 2, 2020, based on the General Committee's proposal, and it will be submitted to the Annual General Meeting on July 1, 2020, for a vote.

The General Committee, acting as Compensation Committee, reviews the adequacy of the Compensation Policy at minimum once every four business years, taking into account the size and financial position of voestalpine AG as well as whether the Supervisory Board's compensation corresponds to prevailing market conditions and is competitive. If the General Committee, acting as Compensation Committee, believes that changes to the Compensation Policy are necessary, it shall submit the relevant proposal to the Supervisory Board and, subsequently, a revised version of the Compensation Policy as necessary to the Annual General Meeting for a vote. If the General Committee, acting as Compensation Committee, does not believe in the fourth business year from the date it last submitted the Compensation Policy to the Annual General Meeting that any changes are necessary, it shall propose an unchanged Compensation Policy to the Supervisory Board for submission to the Annual General Meeting.

The compensation of the Supervisory Board for a business year is payable annually within 14 days of the Annual General Meeting to which the company's annual financial statements and consolidated financial statements for the given business year are submitted. Attendance fees are paid quarterly, and expenses are paid when the associated receipts are submitted.

voestalpine AG

voestalpine-Strasse 1
4020 Linz, Austria
T. +43/50304/15-0
F. +43/50304/55-Ext.
www.voestalpine.com

voestalpine

ONE STEP AHEAD.