

SKW Stahl-Metallurgie Holding AG

Unterneukirchen (Germany)

ISIN DE000SKWM021

German Securities Code (WKN) SKWM02

Invitation to the Annual General Meeting

The Executive Board of SKW Stahl-Metallurgie Holding AG, Unterneukirchen (Germany), herewith invites its shareholders to its Annual General Meeting on

Tuesday, June 3, 2014
at 10.00 a.m. (CET-DST)

in

Haus der Bayerischen Wirtschaft
Max-Joseph-Str. 5
80333 München
Germany.

I. Agenda

- 1. Presentation of the adopted and audited annual financial statements and the approved and audited consolidated financial statements as of December 31, 2013, and the combined management report for SKW Stahl-Metallurgie Holding AG and the SKW Metallurgie Group, including the explanatory report on the information within the meaning of Sections 289 (4) and (5) and 315 (4) of the Handelsgesetzbuch (HGB – German Commercial Code), for business year 2013.**

These documents and the Executive Board's proposal for the appropriation of net profits can be viewed in the offices of SKW Stahl-Metallurgie Holding AG (the "Company") at the Company's registered office (Rathausplatz 11, 84759 Unterneukirchen, Germany), as well as the Company's München office (Prinzregentenstraße 68, 81675 München, Germany) during business hours. Copies of these documents will be sent to shareholders free of charge and without delay upon request. From the date on which the General Meeting is called, these documents are available on SKW Stahl-Metallurgie Holding AG's Web site (<http://www.skw-steel.com/investor-relations/hauptversammlung/>) and are available for viewing during the General Meeting.

The Supervisory Board has approved the annual financial statements and consolidated financial statements prepared by the Executive Board; the financial statements have thus been adopted. In line with legal regulations, no resolution thus has to be passed on agenda item 1.

2. Resolution on the appropriation of the distributable profit

The Executive and Supervisory Boards propose:

to carry forward the net retained profits of SKW Stahl-Metallurgie Holding AG totaling EUR 17,722,213.34 recorded in business year 2013 to new account.

3. Resolution to approve the actions of the members of the Executive Board for business year 2013

It is intended that the resolution on this agenda item will be made separately for each individual member.

The Executive and Supervisory Boards propose:

a) to approve the actions of Ms. Ines Kolmsee for her period of office as a member of the Executive Board in business year 2013,

b) to approve the actions of Mr. Rainer Bunnenberg for his period of office as a member of the Executive Board in business year 2013,

b) to approve the actions of Mr. Oliver Schuster for his period of office as a member of the Executive Board in business year 2013.

4. Resolution to approve the actions of the members of the Supervisory Board for business year 2013

It is intended that the resolution on this agenda item will be made separately for each individual member.

The Executive and Supervisory Boards propose:

a) to approve the actions of Mr. Titus Weinheimer for his period of office as a member of the Supervisory Board in business year 2013,

b) to approve the actions of Mr. Jochen Martin for his period of office as a member of the Supervisory Board in business year 2013,

c) to approve the actions of Mr. Armin Bruch for his period of office as a member of the Supervisory Board in business year 2013,

d) to approve the actions of Ms. Sabine Kauper for her period of office as a member of the Supervisory Board in business year 2013,

e) to approve the actions of Dr. Dirk Markus for his period of office as a member of the Supervisory Board in business year 2013,

f) to approve the actions of Dr. Christoph Schlünken for his period of office as a member of the Supervisory Board in business year 2013,

5. Resolution on postponement of the resolution to approve the actions of the former

member of the Executive Board Gerhard Ertl for business year 2011

The General Meeting on June 11, 2013 resolved to postpone the resolution on the ratification of Mr. Gerhard Ertl, who was a member of the Executive Board of SKW Stahl-Metallurgie Holding AG until September 30, 2011, for his activities in business year 2011.

As the litigation with Mr. Ertl has still not been completed on the date the General Meeting was called, the Executive and Supervisory Boards propose to once again postpone the resolution on ratification of Mr. Gerhard Ertl for his period of office as a member of the Executive Board in business year 2011.

6. Resolution to appoint the auditors for the separate and consolidated financial statements for business year 2014 and for a possible audit review of the interim report on the first six months of business year 2014

The Supervisory Board, supported by the audit committee's recommendation, move to appoint Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Rosenheimer Platz 4, 81669 München, Germany,

- a) as the auditor for the separate and consolidated financial statements for business year 2014

and

- b) - in the event that the short-form financial statements and interim management report (Sections 37w , 37y of the Wertpapierhandelsgesetz (WpHG - German Securities Trading Act)) for the first half of business year 2014 are to be subject to an audit review - as the auditor for the audit review for the short-form financial statements and interim management report.

It is intended that the resolution on this agenda item will be made separately for sub-items a) and b).

7. New elections to the Supervisory Board

The Company's Supervisory Board comprises six members to be elected by the General Meeting according to Sections 96 (1), 101 (1) of the AktG and Article 7 of the Articles of Incorporation. The Supervisory Board is not co-determined. According to Article 7 (2) of the Articles of Incorporation, as a rule the Supervisory Board is elected for the period through to the end of the General Meeting which resolves on the approval of its actions for the fourth business year after the start of its period of office. This period does not include the business year in which the period of office commences. According to Article 7 (2) of the Articles of Incorporation the General Meeting can also set shorter periods of

office for the members of the Supervisory Board to be elected.

The members of the Supervisory Board Ms. Sabine Kauper and Dr. Christoph Schlünken, who were elected by the General Meeting on June 8, 2011, resigned from their positions on the Supervisory Board as of the end of 2013. Traunstein Local Court appointed Dr. Hans Liebler in its resolution dated December 23, 2013, and Ms. Jutta Schull in its resolution dated January 14, 2014 as successors for the former members of the Supervisory Board Ms. Sabine Kauper and Dr. Christoph Schlünken according to Section 104 of the *Aktiengesetz* (AktG - German Public Limited Companies Act). In line with the Company's request, the appointment of Dr. Hans Liebler and Ms. Jutta Schull is limited to the end of the Company's next General Meeting following the issue of the respective notices of appointment. As a result, the periods of office for Dr. Hans Liebler and Ms. Jutta Schull end as of the end of this General Meeting. This means that two new members of the Supervisory Board must be elected.

The General Meeting is not bound by proposed candidates.

It is intended that the resolution on this agenda item will be made separately for each individual member.

Based on the proposals from the nomination committee, the Supervisory Board proposes to the General Meeting that the following persons be elected to the Supervisory Board, with their periods of office starting at the end of the General Meeting and ending at the end of the General Meeting which resolves on the approval of their actions for the fourth business year after the start of their period of office. The business year in which their period of office commences is not included.

a) Dr. Hans Liebler, Gräfelfing (Germany)

Lenbach Capital GmbH and Maxburg Capital Partners GmbH, in each case
Managing Partner
Member of the Supervisory Board (since January 1, 2014)

On the date the General Meeting was called, the proposed person has the following other supervisory board mandates or mandates for comparable German and foreign supervisory bodies:

- Augusta AG, München, (Germany)
- Grammer AG, Amberg (Germany)
- Identive Inc., Santa Ana, CA (USA)
- Washtec AG, Augsburg, (Germany)

b) Jutta Schull, Frankfurt am Main (Germany)

SGL Carbon GmbH, Business Unit Head of Cathodes and Furnace Linings
Member of the Supervisory Board (since January 14, 2014)

On the date the General Meeting was called, the proposed person has the following other supervisory board mandates or mandates for comparable

German and foreign supervisory bodies:

- SGL CARBON Polska S.A., Racibórz (Poland)

For the candidates it proposes to the General Meeting, according to Item 5.4.1 of the German Corporate Governance Code (the "Code"), the Supervisory Board should disclose the business relationships each candidate has with the Company, its executive bodies and any shareholder of the Company with a major interest. The recommendation to make this disclosure is restricted to those circumstances that, in the Supervisory Board's opinion, would be regarded as being relevant for an objective shareholder in deciding how to vote. According to the Code and this recommendation, shareholders who indirectly or directly hold more than 10% of the Company's voting rights have a major interest. Irrespective of the fact that both of the candidates are already members of the Company's Supervisory Board, in the Supervisory Board's opinion there are no corresponding circumstances for either of the candidates.

Detailed résumés for the proposed candidates can be found on the Company's Web site at <http://www.skw-steel.com/investor-relations/hauptversammlung/>.

8. Resolution on approval to change the existing profit and loss transfer agreement with SKW Stahl-Metallurgie GmbH

There is a profit and loss transfer agreement dated July 31, 2007 between SKW Stahl-Metallurgie Holding AG, Unterneukirchen (Germany) and its wholly-owned subsidiary SKW Stahl-Metallurgie GmbH, Unterneukirchen (Germany).

The Act to Amend and Simplify Corporate Taxation and the Tax Travel Expenses Act dated February 20, 2013 stipulates that profit and loss transfer agreements with controlled companies with the legal form of a GmbH (German limited liability company) must include a so-called dynamic reference to the provisions of Section 302 of the AktG in future in order to recognize the pooling of income-tax interests. The previous profit and loss transfer agreement dated July 31, 2007 did not include this regulation.

As a result, SKW Stahl-Metallurgie Holding AG concluded a change agreement with SKW Stahl-Metallurgie GmbH dated April 17, 2014. This change agreement has the following key content:

- SKW Stahl-Metallurgie Holding AG continues to be obliged to absorb SKW Stahl-Metallurgie GmbH's losses. Reference to the requirements for the absorption of losses according to Section 302 of the AktG in its respective applicable version will be added to the profit and loss transfer agreement. As a result of the dynamic reference, adjustments to the profit and loss transfer agreement will not be required in the event of any future changes to the provisions of Section 302 of the AktG.

The corresponding wording in the change agreement is as follows:

“(…) Item 2.3.1 of the profit and loss transfer agreement dated July 31, 2007 is reworded as follows:

“SSM Holding undertakes to absorb losses from SSM in line with the provisions of Section 302 of the AktG in its respective applicable version.”

(…)”

- The profit and loss transfer agreement dated July 31, 2007 otherwise remains unchanged.

In order to become effective, the change agreement must be approved by SKW Stahl-Metallurgie GmbH’s Shareholders’ Meeting as well as by the SKW Stahl-Metallurgie Holding AG’s General Meeting. The change agreement will be valid retroactively from January 1 of the year in which it is entered in the commercial register responsible for SKW Stahl-Metallurgie GmbH.

On the date the change agreement was concluded, SKW Stahl-Metallurgie Holding AG was the sole shareholder of SKW Stahl-Metallurgie GmbH and will also be the sole shareholder on the date of the General Meeting. As a result, it is not necessary to have the change agreement reviewed by a contract reviewer appointed by the court (Sections 295 (1) Sentence 2, 293b (1) of the AktG).

From the date on which the General Meeting was called, the following documents can be viewed in the offices of SKW Stahl-Metallurgie Holding AG at the Company’s registered office (Rathausplatz 11, 84759 Unterneukirchen, Germany), as well as the Company’s München office (Prinzregentenstraße 68, 81675 München, Germany) during business hours, and are also available online via the Company’s Web site (<http://www.skw-steel.com/investor-relations/hauptversammlung/>):

1. The change agreement dated April 27, 2014 between SKW Stahl-Metallurgie Holding AG, Unterneukirchen and SKW Stahl-Metallurgie GmbH, Unterneukirchen to the profit and loss transfer agreement dated July 31, 2007;
2. The profit and loss transfer agreement dated July 31, 2007 between SKW Stahl-Metallurgie Holding AG, Unterneukirchen and SKW Stahl-Metallurgie GmbH, Unterneukirchen to which the change agreement dated April 17, 2014 relates;
3. The annual financial statements of SKW Stahl-Metallurgie Holding AG as well as SKW Stahl-Metallurgie GmbH for the last three business years;
4. The joint management reports of SKW Stahl-Metallurgie Holding AG as well as the SKW Metallurgie Group for the last three business years;
5. The joint report by the Executive Report of SKW Stahl-Metallurgie Holding AG and the management of SKW Stahl-Metallurgie GmbH according to Sections 295 (1) Sentence 2, 293a of the AktG, in which the change agreement is discussed and reasons are stated in legal and economic terms.

Copies of these documents will be sent to shareholders free of charge and without delay

upon request. They will also be available at the General Meeting.

For the last three business years, SKW Stahl-Metallurgie GmbH has permissibly used the options offered in Section 264 (3) of the HGB and prepared neither notes nor management reports.

The Executive and Supervisory Boards propose:

to approve the change agreement dated April 27, 2014 between SKW Stahl-Metallurgie Holding AG, Unterneukirchen and SKW Stahl-Metallurgie GmbH, Unterneukirchen to the profit and loss transfer agreement dated July 31, 2007;

9. Resolution on changes to the Company's Articles of Incorporation

It is intended to change the Company's regulations on representation. To date, the Company was jointly represented by two members of the Executive Board if there were multiple members of the Executive Board (Article 6 (2) of the Articles of Incorporation).

The Executive and Supervisory Boards thus propose the following resolution:

Article 6 (2) of the Articles of Incorporation will be reworded as follows:

"If the Company has several members of its Executive Board, the Company is jointly represented by two Executive Board members or by one Executive Board member together with a Prokurist (authorized signatory).

II. Further information

1. Total number of shares and voting rights

The share capital of SKW Stahl-Metallurgie Holding AG totaled EUR 6,544,930.00 and comprised 6,544,930 ordinary shares on the date on which the General Meeting was called. The shares are registered shares. Each share grants one vote. As a rule, the Company is not due any voting rights from treasury shares. On the date on which the General Meeting was called, the Company did not hold any treasury shares. As a result there are 6,544,930 voting rights.

2. Conditions for participation in the General Meeting and exercising voting rights

Shareholders are authorized to participate in the General Meeting of SKW Stahl-Metallurgie Holding AG and to exercise their voting rights - personally or via proxies - if they register with the Company **at the latest by midnight CET-DST on May 27, 2014** and are entered in the share register for the shares registered when registrations close (midnight CET-DST on May 27, 2014). The Company must receive the registration for participation in the General Meeting in text form (Section 126b of the *Bürgerliches Gesetzbuch*) in German or in English. Registrations can be made as follows:

- by mail at the following address:
SKW Stahl-Metallurgie Holding AG

München Office
Investor Relations
Prinzregentenstraße 68
81675 München
Germany

- by fax using the fax number: +49 89 5998923-29
- by e-mail using the address: ir@skw-steel.com

After receipt of the registration, the shareholders or their proxies will be sent entry tickets for the General Meeting. In order to ensure that the entry tickets are received in time, we ask our shareholders to ensure that their registrations are sent to the Company early enough.

Receipt of an entry ticket is not a condition for participation in the General Meeting and exercising voting rights, but rather it eases the organization and processing. Additional information on how to register can be found in the response form sent to shareholders together with the invitation. This can be used for registration and to order entry tickets and also to issue proxies and instructions, and the additional information in this regard. The Company's Web site (<http://www.skw-steel.com/investor-relations/hauptversammlung/>) also includes information on how to register.

Shares are not blocked by registering for the General Meeting; shareholders can thus freely dispose of their shares after they have successfully registered.

In order to exercise participation and voting rights, the shareholding registered in the share register at midnight CET-DST on May 27, 2014 applies; applications for changes in the share register which the Company does not receive by the end of May 27, 2014 through to the date of the General Meeting on June 3, 2014 (inclusive) will only be executed in the Company's share register with effect after the date of the General Meeting. The share register on the date of the General Meeting corresponds to the status of the share register at midnight CET-DST on May 27, 2014.

According to Section 135 of the Aktiengesetz (AktG - German Public Limited Companies Act), a bank may only exercise voting rights for shares that it does not own, but for which it is registered as the holder in the share register, with an authorization.

We hope you understand that, as a rule, we cannot issue more than one entry ticket for personal participation by the registered shareholder.

In the case of jointly authorized parties (e.g., a community of heirs, a married couple entered jointly in the share register) more than one entry ticket can be issued.

3. Proxy voting

- a) Shareholders who are registered in the share register can have a proxy represent them at the General Meeting. Voting rights can be exercised by an authorized representative, for example a bank, a shareholders' association or another person. In these cases, the shareholder or his proxy must ensure timely registration.

If neither a bank nor a shareholders' association nor another person/institution named in Section 135 (8) of the Aktiengesetz (AktG – German Public Limited Companies Act) or in Section 135 (10) of the AktG in connection with Section 125 (5) of the AktG, the power of attorney, revocation of the power of attorney and verification of the power of attorney

must be issued in text form according to Section 134 of the AktG, Article 15 (2) of the Articles of Incorporation (Section 126b of the BGB). The following address, fax-number and e-mail address can be used to issue power of attorney to the Company, to transfer evidence of power of attorney issued to the proxy, and to revoke powers of attorney:

- by mail to the following address:
SKW Stahl-Metallurgie Holding AG
München Office
Investor Relations
Prinzregentenstraße 68
81675 München
Germany
- by fax using the fax number: +49 89 5998923-29
- by e-mail using the address: ir@skw-steel.com

On the date of the General Meeting, evidence of power of attorney issued to the proxy, and revocation of powers of attorney can also be declared from 9.00 a.m. (CET-DST) onwards at the entry and exit control at the General Meeting, Haus der Bayerischen Wirtschaft, Max-Joseph-Str. 5, 80333 München, Germany.

If a shareholder issues powers of attorney to more than one person, the Company may reject one or several of these persons.

Banks, shareholders' associations or other persons/institutions named in Section 135 (8) of the Aktiengesetz (AktG – German Public Limited Companies Act) or in Section 135 (10) of the AktG in connection with Section 125 (5) of the AktG may have different regulations for their powers of attorney. As a result, if they intend to engage a bank, a shareholders' association or another person/institution named in Section 135 (8) of the AktG or in Section 135 (10) of the AktG in connection with Section 125 (5) of the AktG, shareholders are asked to contact the proxy in good time with regard to any form for the power of attorney that they may require.

- b) We offer our shareholders the possibility of having their voting rights exercised in the General Meeting in line with their instructions by a voting representative designated for this purpose by the Company. Ms. Stefanie von Hoerner and Mr. Christian Schunck have each been appointed as voting representatives for the Company, with individual powers of representation and with the right to issue sub-proxies. Ms. von Hoerner is a Corporate Counsel, Mr. Schunck is Head of Investor Relations. In this case too, the shareholder must register for the Annual General Meeting in time, as described above. If a shareholder wishes to issue a power of attorney to one of the voting representatives named by the Company, he must issue voting instructions for each agenda item for which a vote is to be taken. If no instructions have been issued for a voting item, the voting representatives will abstain from voting with the voting rights for the shareholder issuing the power of attorney, or, depending on the voting method, they will not participate in voting. The voting representatives appointed by the Company are obliged to vote in line with the instructions issued to them.

Shareholders receive a form to issue powers of attorney and instructions together with voting. These cases are presented on the Company's Web site at <http://www.skw-steel.com/investor-relations/hauptversammlung/>.

The power of attorney for the proxies appointed by the Company can be issued prior to the General Meeting in text form by mail, fax or by e-mail to the following address:

- by mail to the following address:
SKW Stahl-Metallurgie Holding AG
München Office
Investor Relations
Prinzregentenstraße 68
81675 München
Germany
- by fax using the fax number: +49 89 5998923-29
- by e-mail using the address: ir@skw-steel.com

Powers of attorney and instructions to the proxies appointed by the Company can be issued, changed or revoked by receipt through to June 2, 2014, 7.00pm (CET-DST) using the above addresses. On the day of the General Meeting, powers of attorney and instructions to the proxies appointed by the Company can be issued, changed or revoked from 9.00 a.m. (CET-DST) onwards at the entry and exit controls.

Please note that the proxies appointed by the Company cannot receive any powers of attorney to raise objections to resolutions by the General Meeting, to exercise the right of speech or to ask questions, or to file applications, and that they are also not available to vote on motions for which there are no proposed resolutions in this invitation or for which resolutions are proposed later.

III. Shareholders' rights

Prior to and during the General Meeting, the shareholders have the following rights.

1. Additional requests for the agenda within the meaning of Section 122 (2) of the Aktiengesetz

Shareholders whose interests total at least 5% of share capital or a proportionate amount of EUR 500,000 can demand that items be placed on the agenda and announced. Each new item must be accompanied with reasons or a motion. This demand must be made in writing to the SKW Stahl-Metallurgie's Executive Board and must reach the Company at least 30 days prior to the General Meeting, i.e., at the latest by the end of May 3, 2014 (midnight CET-DST) at the following address:

SKW Stahl-Metallurgie Holding AG
München Office
Investor Relations
Prinzregentenstraße 68
81675 München
Germany

The party/parties making the application according to Section 122 (1) Sentence 3, (2), 142 (2) Sentence 2 of the AktG must prove that they have held the shares for at least three months prior to the date of the General Meeting.

2. Countermotions and proposals for election by shareholders according to Sections 126 (1) and 127 of the Aktiengesetz

In addition, shareholders of the Company can make countermotions to the motions by the Executive and/or Supervisory Boards on specific agenda items, and may also make proposals for election. Countermotions must include reasons. Countermotions and election proposals by shareholders for the General Meeting must be made, stating the shareholder's name, exclusively to

- by mail the following address:
SKW Stahl-Metallurgie Holding AG
München Office
Investor Relations
Prinzregentenstraße 68
81675 München
Germany
- or by fax: +49 89 5998923-29
- or by e-mail to ir@skw-steel.com

The Company will publish countermotions and election proposals from shareholders that are to be made accessible together with the shareholder's name and any reasons for which access is to be provided once these are received on our web site <http://www.skw-steel.com/investor-relations/hauptversammlung/>. In this regard, countermotions and election proposals on agenda items received at the above address by midnight (CET-DST) on May 19, 2014 are to be considered. Any opinions by management will also be published at the same URL.

3. Right to information within the meaning of Section 131 (1) of the Aktiengesetz

In the General Meeting, each shareholder or shareholder representative can demand information on Company issues, the Company's legal and business relationships with associated companies, and the Group's position and that of the companies included in the consolidated financial statements from the Executive Board to the extent that this information is required for a proper assessment of the agenda item. According to Section 16, Item 2, Sentence 3 of the Articles of Incorporation, the Chairman of the General Meeting is authorized to place a reasonable time constraint on shareholders' rights to ask questions and speak. In addition, the Executive Board can determine that it refuses to provide information in cases regulated in Section 131 (3) of the AktG. These cases are presented on the Company's web site at <http://www.skw-steel.com/investor-relations/hauptversammlung/>.

4. Additional explanations

Further information on shareholders' rights within the meaning of Sections 122 (2), 126 (1), 127 and 131 (1) of the Aktiengesetz can be found online at <http://www.skw-steel.com/investor-relations/hauptversammlung/>.

IV. Publications on the Company's Web site

The information within the meaning of Section 124a of the Aktiengesetz can be found online

on SKW Stahl-Metallurgie Holding AG's web site at <http://www.skw-steel.com/investor-relations/hauptversammlung/>. The results of voting will be announced using the same URL after the General Meeting.

Unterneukirchen (Germany), April 2014

SKW Stahl-Metallurgie Holding AG

The Executive Board