

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 9, 2015
at 10.00 a.m. (CET)**

in

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

I. Agenda

- 1. Presentation of the adopted annual financial statements and the approved consolidated financial statements as of December 31, 2014, 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 2014.**

From the date on which the General Meeting is called, these documents are available in German 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. As there is no distributable profit, no resolution on the appropriation of distributable profit has to be passed. The net loss is to be carried forward to new account.

2. Resolution to approve the actions of the members of the Executive Board for business year 2014

The Executive and Supervisory Boards propose:

- a) to approve the actions of Mr. Kay Michel for his period of office as a member of the Executive Board in business year 2014,
- b) to approve the actions Ms. Sabine Kauper for her period of office as a member of the Executive Board in business year 2014,
- c) not to approve the actions of Ms. Ines Kolmsee for her period of office as a member of the Executive Board in business year 2014.

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

3. Resolution to approve the actions of the members of the Supervisory Board for business year 2014

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 2014,
- b) to approve the actions of Mr. Jochen Martin for his period of office as a member of the Supervisory Board in business year 2014,
- c) to approve the actions of Mr. Armin Bruch for his period of office as a member of the Supervisory Board in business year 2014,
- d) to approve the actions of Dr. Hans Liebler for his period of office as a member of the Supervisory Board in business year 2014,
- e) to approve the actions of Dr. Dirk Markus for his period of office as a member of the Supervisory Board in business year 2014,
- f) to approve the actions of Ms. Jutta Schull for her period of office as a member of the Supervisory Board in business year 2014,

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

4. Resolution to approve the actions of the former member of the Executive Board Gerhard Ertl for business year 2011

The General Meetings on June 14, 2012, June 11, 2013 and June 3, 2014 each resolved to postpone the resolution to approve the actions 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. The Executive and Supervisory Boards do not believe that it is necessary to further postpone this resolution to approve his activities.

The Executive and Supervisory Boards thus propose the following resolution:

Not too approve the actions of Mr. Gerhard Ertl for his period of office as a member of the Executive Board in business year 2011.

5. Resolution to appoint the auditors for the separate and consolidated financial statements for the business year 2015 and for a possible audit review of the interim report on the first six months of business year 2015

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

a) as the auditor for the separate and consolidated financial statements for business year 2015

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 2015 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).

6. Resolution on an increase in share capital against cash contributions with shareholders' subscription rights and the associated change to the articles of incorporation

SKW Stahl-Metallurgie Holding AG's share capital is to be increased. The capital increase serves to reinforce the Company's equity structure, to repay liabilities to banks and to finance further growth. The Executive and Supervisory Boards intend to perform a capital increase against cash contributions with subscription rights for shareholders.

The Executive and Supervisory Boards move the following:

a) The Company's share capital of EUR 6,544,930.00 will be increased by up to EUR 6,544,930.00 to up to EUR 13,089,860.00 by issuing up to 6,544,930 new, ordinary registered shares (the "new shares"), each with a theoretical interest in the share capital of EUR 1.00 per no-par value share. The issuing amount totals at least EUR 1.00 per ordinary share. The new shares carry profit participation rights

from January 1, 2015. These must be offered to shareholders for subscription proportionately (old to new shares) in line with the number of shares issued prior to the start of the subscription period to the number of new shares to be issued as part of the capital increase.

- b) Shareholders can also be granted statutory subscription rights such that the new shares are subscribed either fully or partially by one or several banks and/or one or several companies within the meaning of Section 186 (5) Sentence 1 of the Aktiengesetz (AktG - German Public Limited Companies Act) at the lowest issuing amount, and are taken over with the obligation to offer these to shareholders for subscription at the subscription prices set by the Executive Board in agreement with the Supervisory Board and to pay the proceeds - after deducting reasonable commission as well as costs and expenses - to the Company (indirect subscription right).
Any new shares not subscribed within the subscription period can be disposed of/exploited in line with the Executive Board's instructions. Any such disposal/exploitation must be at the best possible price, however at least at the subscription price at which the new shares were offered to the holders of subscription rights for subscription.
- c) The Executive Board is authorized, with the approval of the Supervisory Board, to set further details of the capital increase and its execution, in particular the subscription price and the further conditions for issuing new shares. The Executive Board must set the subscription price for each new share, with the approval of the Supervisory Board, at the best possible price considering the current situation on the market on the date the capital increase is performed, and with a reasonable placement discount. The Company bears the costs of the capital increase and its execution.
- d) The resolution to increase the share capital becomes invalid if the capital increase is not entered in the Company's commercial register with Traunstein Local Court by the end of 9 December 2015.
- e) The Supervisory Board is authorized to adjust the wording of the Company's Articles of Incorporation, Article 4 (1) and (2) (Capital, Shares) in line with the execution of the capital increase.

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 (1) 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 members of the Supervisory Board are elected for the period through to 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. 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.

Dr. Dirk Markus, a member of the Supervisory Board elected by the General Meeting on June 8, 2011, resigned from his office as a member of the Supervisory Board with effect from February 28, 2015. No successor has yet been appointed. As a result, one new member of the Supervisory Board must be elected.

The General Meeting is not bound by proposed candidates.

Based on the proposal from the nomination committee, the Supervisory Board proposes to the General Meeting that:

Mr. Reto A. Garzetti

Member of the Advisory Board of SE Swiss Equities AG, Zurich, Switzerland

be elected as a member of the Supervisory Board through to the end of the General Meeting which resolves on the approval of the actions of the members of the Executive Board for business year 2015

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

No mandates for other German supervisory boards which must be formed due to legal requirements.

Membership in comparable foreign supervisory bodies for commercial enterprises:

- SE Swiss Equities AG, Zurich, Switzerland, Member of the Advisory Board
- Siegfried Holding AG, Zofingen, Switzerland, Member of the Advisory Board
- AGI AG für Isolierungen, Dällikon, Switzerland, Member of the Advisory Board
- Meili Peter Architekten AG, Zurich, Switzerland, Member of the Advisory Board
- HFS Helvetic Financial Services AG, Wollerau, Switzerland,

Member of the Advisory Board

Group mandate: HPI Helvetic Financial Investments AG, Wollerau
Switzerland, Member of the Advisory Board

- Altura Investements Limited, Cayman Islands, Member of the Board of Directors

Group mandate: Piora AG, Zug, Switzerland, Member of the Advisory Board
Silver Reel Pictures AG, Zug, Switzerland, Member of the
Advisory Board

- Occlutech Holding AG, Schaffhausen, Switzerland, Member of the Advisory Board
- Neugass Kino AG, Zurich, Switzerland, Member of the Advisory Board

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. 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. 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.

The Supervisory Board does not believe that there are any such circumstances regarding the proposed candidate.

A detailed résumé for the proposed candidate can be found in German on the Company's Web site at <http://www.skw-steel.com/investor-relations/hauptversammlung/>.

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 was comprised 6,544,930 ordinary shares on the date 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 its treasury shares. On the date 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 the register with the Company **by midnight CET on June 2, 2015** and are entered in the share register for the shares registered when registrations close (midnight CET on June 2, 2015). 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.

- by mail to the following address:
SKW Stahl-Metallurgie Holding AG
Munich Office
Investor Relations
Prinzregentenstrasse 68
81675 Munich
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 good time, we ask our shareholders to ensure that their registration is 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. Further information on the registration process can be found in the documents which are sent to shareholders together with the invitation. The Company's Web site (<http://www.skw-steel.com/investor-relations/hauptversammlung/>) also includes this information on how to register.

Shares are not blocked by registering for the General Meeting; shareholder 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 on June 2, 2015 applies. Applications for changes in the share register which the Company does not receive by the end of June 2, 2015 through to the date of the General Meeting on June 9, 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 on June 2, 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. As a rule it is not possible to issue guest tickets in addition to an entry ticket.

In the case of joint 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, timely registration is also required by the shareholder or his proxy.

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, the 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 a power of attorney to the Company, to transfer evidence of a power of attorney issued to the proxy, and to revoke powers of attorney:

- by mail to the following address:
SKW Stahl-Metallurgie Holding AG
Munich Office
Investor Relations
Prinzregentenstrasse 68
81675 Munich
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, please contact the entry and exit control at the General Meeting to issue a power of attorney, to transfer evidence of a power of attorney issued to the proxy, and to revoke powers of attorney after 9.00am (CET), at the General Meeting, Haus der Bayerischen Wirtschaft, Max-Joseph-Str. 5, 80333 Munich, Germany.

If a shareholder issues a power 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. Mr. Christian Schunck has been appointed as a voting representative for the Company with individual powers of representation and with the right to issue sub-proxies. In this case too, the shareholder must also 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 undertake to vote in line with the instructions issued to them.

Shareholders receive a form to issue a power 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
Munich Office
Investor Relations
Prinzregentenstrasse 68
81675 Munich
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 through to receipt by June 8, 2015, noon (CET) 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 am (CET) 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 only 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 the 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 9, 2015 (midnight CET) at the following address:

SKW Stahl-Metallurgie Holding AG
Munich Office
Investor Relations
Prinzregentenstrasse 68
81675 Munich
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 to the Company, stating the shareholder's name, exclusively

- by mail to the following address:
SKW Stahl-Metallurgie Holding AG
Munich Office
Investor Relations
Prinzregentenstrasse 68
81675 Munich
Germany
- or by fax to +49 (0)89 / 599 89 23 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 by midnight (CET) on May 25, 2015 will 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 Article 16, (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 refuse 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 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 2015

SKW Stahl-Metallurgie Holding AG

The Executive Board