

**SKW Stahl-Metallurgie Holding AG**

**Unterneukirchen (Germany)**

**ISIN DE000SKWM021**

**WKN SKWM02**

**Invitation to the General Meeting**

The Executive Board of SKW Stahl-Metallurgie Holding AG, Unterneukirchen (Germany), hereby invites the shareholders of SKW Stahl-Metallurgie Holding AG to attend the general meeting on

**Tuesday, May 10, 2016,  
at 10:00 a.m. (CEST)**

in the

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

**I. Agenda**

- 1. Presentation of the adopted separate financial statements and the approved consolidated financial statements as of December 31, 2015, together with the combined management report for SKW Stahl-Metallurgie Holding AG and the SKW Metallurgie Group, including the explanatory report on the disclosures pursuant to Sections 289 (4) and (5), 315 (4) of the German Commercial Code and the Report of the Supervisory Board, for fiscal year 2015**

Prior to the convocation of the general meeting, the aforesaid documents have been made available on the website of SKW Stahl-Metallurgie Holding AG (<http://www.skw-steel.com/investor-relations/hauptversammlung/>) and will also be available for examination at the general meeting.

The Supervisory Board has already approved the separate and consolidated financial statements prepared by the Executive Board; the separate financial statements were thereby adopted.

In accordance with the provisions of law, therefore, no resolution is to be adopted for Agenda Item 1. Because there is no distributable profit, no resolution on the utilization of profit is to be adopted.

**2. Notification of a loss equal to more than half of share capital pursuant to Section 92 (1) AktG**

Pursuant to Section 92 (1) AktG, the Executive Board of SKW Stahl-Metallurgie Holding AG notifies the general meeting that a loss equal to more than half of share capital has occurred.

The Executive Board will explain the loss of more than half of share capital to the general meeting. As part of their right to information, the shareholders will be given the chance to ask questions at the general meeting. In accordance with the provisions of law, the general meeting will not be asked to adopt a resolution on this agenda item.

**3. Resolution on the ratification of the actions of the members of the Executive Board in fiscal year 2015**

The Executive Board and Supervisory Board propose

- a) that the general meeting ratify the actions of Dr. Kay Michel during his term of office as member of the Executive Board in fiscal year 2015,
- b) that the general meeting ratify the actions of Ms. Sabine Kauper during her term of office as member of the Executive Board until October 31, 2015 of fiscal year 2015.

The intention is to adopt the resolution under this agenda item individually for each person.

**4. Resolution on the ratification of the actions of the members of the Supervisory Board in fiscal year 2015**

The Executive Board and Supervisory Board propose

- a) that the general meeting ratify the actions of Mr. Titus Weinheimer in his term of office as member of the Supervisory Board in fiscal year 2015,
- b) that the general meeting ratify the actions of Mr. Jochen Martin in his term of office as member of the Supervisory Board in fiscal year 2015,
- c) that the general meeting ratify the actions of Mr. Armin Bruch in his term of office as member of the Supervisory Board in fiscal year 2015,
- d) that the general meeting ratify the actions of Mr. Reto A. Garzetti in his term of office as member of the Supervisory Board starting June 9, 2015 of fiscal year 2015,
- e) that the general meeting ratify the actions of Dr. Hans Liebler in his term of office as member of the Supervisory Board until November 30, 2015 of fiscal year 2015,
- f) that the general meeting ratify the actions of Dr. Dirk Markus in his term of office as member of the Supervisory Board until February 28, 2015,
- g) that the general meeting ratify the actions of Ms. Jutta Schull for her term of office as member of the Supervisory Board in fiscal year 2015.

The intention is to adopt the resolution under this agenda item individually for each person.

**5. Resolution on the appointment of the independent auditor of the separate and consolidated financial statements for fiscal year 2016 and the independent auditor for the possible audit review of the interim report for the first half of fiscal year 2016**

Based on the recommendation of the Audit Committee, the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich Branch, Germany,

a) be appointed as the independent auditor of the separate and consolidated financial statements for fiscal year 2016,

and

b) – for the event that the abridged financial statements and interim management report (Sections 37w, 37y German Securities Trading Act, WpHG) for the first half of fiscal year 2016 will be subject to an audit review – as the independent auditor of the abridged financial statements and interim management report.

The intention is to adopt the resolution under this agenda item separate for sub-points a) and b).

**6. Resolution on the cancellation of Authorized Capital 2011 (Section 4 (4) of the Articles of Incorporation), formation of an Authorized Capital 2016, and the corresponding amendment of the Articles of Incorporation**

In accordance with the more detailed provisions of Article 4 (4) of the Articles of Incorporation, the Company's Executive Board is authorized to increase the share capital, with the consent of the Supervisory Board, on one or more occasions by a total amount of up to EUR 3,272,465.00 through the issuance of new shares in exchange for cash capital contributions (Authorized Capital 2011). This authorization has not yet been exercised and will expire on May 30, 2016.

The Authorized Capital 2011 is to be cancelled and replaced with a new Authorized Capital in the amount of EUR 3,272,465.00, equal to 50% of available share capital, so that the Executive Board will be able also in the future to utilize Authorized Capital to strengthen the Company's equity. No exclusion of subscription rights is proposed.

The Executive Board and Supervisory Board propose the adoption of the following resolutions:

a) Article 4 (4) of the Articles of Incorporation (Authorized Capital 2011) and the authorization therein granted to the Executive Board to increase the share capital, with the consent of the Supervisory Board, through the issuance of new shares in exchange for cash capital contributions on one or more occasions by a total amount of up to EUR 3,272,465.00, shall be cancelled upon the taking effect of the following authorizations under b) and c).

- b) The Executive Board is hereby authorized, with the consent of the Supervisory Board, to increase the share capital on one or more occasions by a total amount of up to EUR 3,272,465.00 through the issuance of new shares in exchange for cash capital contributions in the time until and including May 9, 2021 (Authorized Capital 2016). A subscription right shall be granted to the shareholders. If so decided by the Executive Board with the consent of the Supervisory Board, the statutory subscription right may be granted to shareholders also in the form of an indirect subscription right according to Section 186 (5) of the German Stock Corporations Act (AktG), or also partially in the form of a direct subscription right (for example, to subscription-eligible shareholders who will have first issued a confirmed subscription declaration), and otherwise in the form of an indirect subscription right according to Section 186 (5) AktG.
- c) The Executive Board is authorized, with the consent of the Supervisory Board, to specify the content of share rights and conditions of the share issue, as well as other details of the capital increase.
- d) Article 4 (4) of the Articles of Incorporation is hereby reworded as follows:  
“The Executive Board is authorized, with the consent of the Supervisory Board, to increase the share capital on one or more occasions by a total amount of up to EUR 3,272,465.00 through the issuance of new shares in exchange for cash capital contributions in the time until May 9, 2021 (Authorized Capital 2016). If so decided by the Executive Board with the consent of the Supervisory Board, the statutory subscription right may be granted to shareholders also in the form of an indirect subscription right according to Section 186 (5) of the German Stock Corporations Act (AktG), or also partially in the form of a direct subscription right (for example, to subscription-eligible shareholders who will have first issued a confirmed subscription declaration), and otherwise in the form of an indirect subscription right according to Section 186 (5) AktG.  
The Executive Board is authorized, with the consent of the Supervisory Board, to specify the content of share rights and conditions of the share issue, as well as other details of the capital increase. “

**7. Resolution on decreasing the size of the Supervisory Board to five members; corresponding amendment of the Articles of Incorporation**

In accordance with Sections 96 (1), 101 (1) (1) AktG and Article 7 (1) of the Articles of Incorporation, the Company's Supervisory Board is composed of six members to be elected by the general meeting. The Supervisory Board is not co-determined. The terms of office of five of the six current Supervisory Board members will end upon the conclusion of the general meeting that will resolve on the ratification of the actions of Supervisory Board members in fiscal year 2015.

Considering the size and scope of the Company's business activities, and for cost and efficiency reasons, a Supervisory Board composed of five members appears to be sufficient. Due to the amendment of Section 95 (3) AktG in connection with the 2016 amendments of the German Stock Corporations Act, it is no longer required that the number of members of a non-codetermined Supervisory Board be divisible by three. Therefore, the size of the Company's Supervisory Board shall be reduced from the current

six members to five members in the future.

The Executive Board and Supervisory Board propose the adoption of the following resolution:

Amendment of the Articles of Incorporation (Section 7 (1) of the Articles of Incorporation)

Section 7 (1) of the Articles of Incorporation is amended and reworded as follows:

“1. The Supervisory Board is composed of five members.”

## **8. Supervisory Board elections**

In accordance with Sections 96 (1), 101 (1) (1) AktG and Article 7 (1) of the Articles of Incorporation, the Company's Supervisory Board is composed of six members to be elected by the general meeting. The Supervisory Board is not co-determined. Therefore, the Company is not required to observe the fixed gender quota of 30% pursuant to Section 96 (2) AktG.

The terms of office of the Supervisory Board members Titus Weinheimer, Jochen Martin, Armin Bruch, Reto A. Garzetti, and the court-appointed Supervisory Board member Tarun Somani will end upon the conclusion of the general meeting that will resolve on the ratification of the actions of Supervisory Board members in 2015. Therefore, Supervisory Board elections must be conducted.

In accordance with Article 7 (2) of the Articles of Incorporation, the members of the Supervisory Board are elected as a general rule for the time until the conclusion of the general meeting that will resolve on the ratification of the actions of Supervisory Board members in the fourth fiscal year after the beginning of the term of office, not counting the fiscal year in which the term of office begins.

Based on the proposal of the Nominating Committee and in consideration of the amendment of the Articles of Incorporation proposed in Agenda Item 7, the Supervisory Board proposes to the general meeting that the following persons be elected as members of the Company's Supervisory Board for terms of office lasting until the conclusion of the general meeting that will resolve on the ratification of the actions of Supervisory Board members in fiscal year 2018:

- a) Mr. Titus Weinheimer, Chief Operating Officer and General Counsel of NanoHoldings LLC, New York, USA
- b) Mr. Armin Bruch, independent entrepreneur, Erzhausen, Germany
- c) Mr. Reto A. Garzetti, member of the Board of Directors of SE Swiss Equities AG, Zurich, CH
- d) Mr. Tarun Somani, member of the Board of Directors of Somani Group, New Delhi, India.

The intention is to conduct the elections separately for each candidate.

In case he is elected, Mr. Titus Weinheimer intends to be a candidate for Supervisory Board Chairman again.

At the time of convocation of the general meeting, Mr. Titus Weinheimer held the following other mandates on domestic Supervisory Boards or comparable domestic and foreign control bodies:

- Safewater Pte. Ltd. (Singapore), member of the Board of Directors,
- nVerPix LLP, Gainesville, Florida, USA, member of the Board of Directors
- Nirvision LLC, Norwalk, Connecticut, USA

At the time of convocation of the general meeting, Mr. Armin Bruch held the following other mandates on domestic Supervisory Boards or comparable domestic and foreign control bodies:

- HCS GmbH, Frankfurt (formerly Haltermann Holding GmbH, Schifferstadt), member of the Advisory Board

At the time of convocation of the general meeting, Mr. Reto A. Garzetti held the following other mandates on domestic Supervisory Boards or comparable domestic and foreign control bodies:

- Siegfried Holding AG, Zofingen, CH, member of the Board of Directors
- AGI AG für Isolierungen, Dällikon, CH, member of the Board of Directors
- HFS Helvetic Financial Services AG, Wollerau, CH, member of the Board of Directors
  - Group mandate: HPI Helvetic Financial Investments AG, Wollerau, CH, member of the Board of Directors
- Altura Investements Limited, Cayman Island, member of the Board of Directors
  - Group mandates: Piora AG, Zug, CH, member of the Board of Directors
  - Silver Reel Pictures AG, Zug, CH, member of the Board of Directors
- Occlutech Holding AG, Schaffhausen CH, member of the Board of Directors
- Neugass Kino AG, Zurich, CH, member of the Board of Directors
- Peach Property Group AG, Zurich, CH, President of the Board of Directors
- Immo Swiss Assets AG, Zug, CH, member of the Board of Directors

At the time of convocation of the general meeting, Mr. Tarun Somani held the following other mandates on domestic Supervisory Boards or comparable domestic and foreign control bodies:

- Indo German International Pvt. Ltd., New Delhi, India, Chairman
- Somani Kuttner India (P) Ltd., New Delhi, India, Chairman
- Mechel Somani Carbon Private Limited, New Delhi, India, Chairman
- Emergent Global Edu & Services Limited, New Delhi, India, Chairman

- Northern Exim Pvt. Ltd., New Delhi, India, Director
- Indoit Real Estates Limited, New Delhi, India, Director
- Somani Housing Private Limited, New Delhi, India, Director
- Indo International Trading FZCO, Dubai, VAE, Director

The aforesaid mandates on the Boards of Directors of Northern Exim Pvt. Ltd., Somani Housing Private Limited, and Indoit Real Estates Limited are internal mandates of the same corporate group.

The recommendation was made by the Nominating Committee on the basis of the requirements of the German Corporate Governance Code and in consideration of the Supervisory Board's stated goals for its composition.

In the estimation of the Supervisory Board, none of the proposed candidates has a personal or business relationship with SKW Stahl-Metallurgie Holding AG or its Group companies, the governing bodies of the Company, or a shareholder holding a significant equity interest in the Company, the disclosure of which is recommended by Section 5.4.1 of the German Corporate Governance Code. The disclosure recommendation is limited to those circumstances which, in the opinion of the Supervisory Board, an objective shareholder would consider to be relevant for his election decision. The Supervisory Board has assured itself that the proposed candidates will be able to devote the expected amount of time to the office of Supervisory Board member.

Informative curricula vitae of the proposed candidates may be found on the Company's website at <http://www.skw-steel.com/investor-relations/hauptversammlung/>.

## **9. Relocation of registered office to Munich and corresponding amendment of the Articles of Incorporation**

The Company's registered office is to be relocated from Unterneukirchen, Altötting District, to Munich. The provision of the Articles of Incorporation pertaining to the venue of the general meeting is to be changed accordingly.

The Executive Board and Supervisory Board propose the adoption of the following resolution:

- a) Section 1 (2) of the Articles of Incorporation shall be amended and reworded as follows:

"The Company has its registered office in Munich."

- b) Section 13 (1) (1) of the Articles of Incorporation shall be amended and reworded as follows:

"The general meeting shall be held at the Company's registered office or in another German city with at least 200,000 inhabitants, at the choice of the convening body."

## II. *Other disclosures and notices*

### 1. **Total number of shares and voting rights**

At the time of convocation of the general meeting, the share capital of SKW Stahl-Metallurgie Holding AG amounted to EUR 6,544,930.00 and was divided into 6,544,930 shares. The shares are registered shares. Each share grants one vote. Treasury shares do not grant the Company any voting rights, as a general rule. At the time of convocation of the general meeting, the Company held no treasury shares. Therefore, there are 6,544,930 voting rights.

### 2. **Conditions for participation in the general meeting and exercise of voting rights**

Those shareholders who register with the Company **by May 3, 2016, 12:00 a.m.(midnight CEST)** and whose registered shares are registered in the share register by the registration deadline (May 3, 2016, 12:00 a.m. (midnight CEST)) are entitled to participate in the general meeting of SKW Stahl-Metallurgie Holding AG and exercise their voting right, either personally or through an authorized representative. The registration to participate in the general meeting must be received by the Company by the registration deadline in text form (Section 126b German Civil Code) in the German or English language at one of the addresses indicated below.

- By regular mail to the address:  
SKW Stahl-Metallurgie Holding AG  
Munich Office  
Investor Relations  
Prinzregentenstraße 68  
81675 Munich  
Germany
- Or by fax to the fax number: +49 89 5998923-29
- Or by e-mail to the e-mail address: [ir@skw-steel.com](mailto:ir@skw-steel.com)

After receipt of the registration, admission tickets for the general meeting will be sent to the shareholders or their authorized representatives. To ensure the timely receipt of admission tickets, shareholders are asked to submit their registration to the Company as early as possible.

Receipt of an admission ticket is not a condition for participation in the general meeting and exercise of the voting right, but only serves the purpose of expedited organizational handling. Additional information about the registration procedure is provided in the documents forwarded to the shareholders with the invitation. This information about the registration procedure can also be found on the Company's website (<http://www.skw-steel.com/investor-relations/hauptversammlung/>).

The shares are not blocked by registration for the general meeting; therefore, shareholders may continue to freely dispose of their shares after the registration.

The holdings registered in the share register at 12:00 a.m. (midnight CEST) of May 3, 2016 are determining for the exercise of participation and voting rights. Requests for the re-registration of shares in the share register that are received by the Company in the time



after May 3, 2016 but up to and including the day of the general meeting on May 10, 2016 will be honored in the Company's share register only with effect on the day after the general meeting. Therefore, the share register on the day of the general meeting will be the same as the share register on May 3, 2016, 12:00 a.m. (midnight CEST).

In accordance with Section 135 of the German Stock Corporations Act, a bank requires authorization to exercise the voting right for shares that do not belong to it, even though it is registered as the holder of the shares in the share register.

Please have understanding for the fact that we cannot as a general rule issue more than one admission ticket to a registered shareholder who will attend the general meeting personally. It is also impossible as a general rule to issue a guest ticket in addition to an admission ticket.

More than one admission ticket may be issued to joint beneficiaries (e.g., communities of heirs, jointly registered spouses).

### **3. Proxy voting**

- a) Shareholders who are registered in the share register may authorize a proxy to represent them in the general meeting. The voting right may be exercised by an authorized representative such as a bank, a shareholders association, or another person, for example. Also in these cases, the shareholder or authorized representative must register in due time.

If neither a bank nor a shareholders association nor another person or institution indicated in Section 135 (8) AktG or Section 135 (10) AktG in conjunction with Section 125 (5) AktG is authorized, the granting of authorization, the revocation of authorization, and the proof of authorization vis-à-vis the Company as per Section 134 (3) AktG, Article 15 (2) of the Articles of Incorporation must be done in text form (Section 126b German Civil Code). The following postal address, fax number, and e-mail address are available for the purposes of granting authorization to the Company, presenting proof of authorization of the proxy, and revoking authorizations:

- By regular mail to the address:  
SKW Stahl-Metallurgie Holding AG  
Munich Office  
Investor Relations  
Prinzregentenstraße 68  
81675 Munich  
Germany
- Or by fax to the fax number: +49 89 5998923-29
- Or by e-mail to the e-mail address: [ir@skw-steel.com](mailto:ir@skw-steel.com)

As of 9:00 a.m. (CEST) of the day of the general meeting, the entrance and exit control desk at Haus der Bayerischen Wirtschaft, Max-Joseph-Str. 5, 80333 Munich, Germany, will be available for the purposes of granting authorization to the Company, presenting proof of authorization granted to a proxy, and revoking authorizations.

If the shareholder authorizes more than one person, the Company may refuse admission to one or more of them.

Banks, shareholder associations, or other persons or institutions indicated in Section 135 (8)

AktG or Section 135 (10) AktG in conjunction with Section 125 (5) AktG may establish different rules for their authorization. Therefore, shareholders who intend to authorize a bank, shareholders association or other person or institution indicated in Section 135 (8) AktG or Section 135 (10) AktG in conjunction with Section 125 (5) AktG are asked to consult with the party to be authorized about the possibly required form of authorization in due time.

- b) We offer our shareholders the chance to appoint a proxy designated by the Company to exercise their voting rights in the general meeting in accordance with the shareholder's instructions. Mr. Christian Schunck has been designated as the Company's proxy authorized to represent individual shareholders and grant sub-authorizations. Also in this case, the shareholder must register for the regular general meeting in due time in the manner described above. If a shareholder wishes to authorize the proxy designated by the Company, he must issue instructions on how to exercise the voting right for each agenda item to be voted on. If no instructions have been issued for an agenda item to be voted on, the proxy will abstain from exercising the authorizing shareholder's voting right on this point, or will not participate in the voting, depending on the voting procedure. The proxy designated by the Company is obligated to vote in accordance with the instructions given to him.

Shareholders will receive a proxy authorization and instructions form together with the invitation. The form is also available on the Company's website at <http://www.skw-steel.com/investor-relations/hauptversammlung/>.

The proxy designated by the Company may be authorized before the general meeting in text form by regular mail, fax or e-mail to the following addresses:

- By regular mail to the address:  
SKW Stahl-Metallurgie Holding AG  
Munich Office  
Investor Relations  
Prinzregentenstraße 68  
81675 Munich  
Germany
- Or by fax to the fax number: +49 89 5998923-29
- Or by e-mail to the e-mail address: [ir@skw-steel.com](mailto:ir@skw-steel.com)

Authorizations and instructions to the proxy designated by the Company may be issued, changed, or revoked by declaration to the aforementioned addresses in the time until 12:00 p.m. (CEST) of May 9, 2016 (receipt by the Company). On the day of the general meeting, authorizations and instructions to the proxy designated by the Company may be issued, changed, or revoked by declaration to the entrance and exit control desk as of 9:00 a.m. (CEST).

Please note that the proxy designated by the Company will not accept authorizations to file objections against resolutions of the general meeting, to exercise the right to speak and ask questions, or to file motions, and he is also not available to vote on motions for which there are no resolution proposals announced in the present invitation or at a later time.

### III. Rights of shareholders

Before and during the general meeting, shareholders have the following rights, among

others.

**1. Request to add items to the agenda pursuant to Section 122 (2) AktG**

Shareholders whose shares together represent at least one twentieth of the share capital or an amount of EUR 500,000.00 may request that items be placed on the agenda and announced to the shareholders. A justification or resolution proposal must be submitted with every new agenda item. The request must be sent in written form to the Executive Board of SKW Stahl-Metallurgie Holding AG and must be received by the Company at least 30 days before the general meeting, thus by no later than 12:00 a.m. (midnight CEST) of April 9, 2016, at the following address:

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

In accordance with Sections 122 (1) (3), (2), 142 (2) (2) AktG, the applicant or applicants must prove that he or they have been shareholders for at least three months before the date of the general meeting.

**2. Countermotions and election proposals of shareholders pursuant to Sections 126 (1), 127 AktG**

In addition, shareholders of the Company may submit countermotions against the proposals of the Executive Board and/or Supervisory Board for certain agenda items and election proposals. Countermotions must be accompanied by a justification. Countermotions and election proposals of shareholders for the general meeting must be sent to the Company with an indication of the shareholder's name exclusively to the following addresses:

- By regular mail to the 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](mailto:ir@skw-steel.com)

After receiving them, the Company will publish those countermotions and election proposals of shareholders that must be made accessible, including the name of the shareholder and justifications that must be made accessible, on the Company's website at <http://www.skw-steel.com/investor-relations/hauptversammlung/>. Countermotions and election proposals on the items of the present meeting agenda that are received by 12:00 a.m. (midnight CEST) of April 25, 2016 will be considered. Any positions of the Management

will likewise be published on the aforesaid website.

**3. Right to information pursuant to Section 131 (1) AktG**

In the general meeting, every shareholder or authorized proxy may request of the Executive Board information about the affairs of the Company, the Company's legal and business dealings with affiliated companies, and the situation of the Group and the companies included in the consolidated financial statements, to the extent that the information is required in order to make an informed decision regarding an item of the meeting agenda. In accordance with Article 16 (2) (3) of the Company's Articles of Incorporation, the Chairman is authorized to place a reasonable time limit on the right of shareholders to speak and ask questions. In certain cases governed by Section 131 (3) AktG, the Executive Board may also refuse to provide the requested information. These cases are described on the Company's website at <http://www.skw-steel.com/investor-relations/hauptversammlung/>.

**4. Further clarifications**

Further clarifications of the rights of shareholders pursuant to Sections 122 (2), 126 (1), 127 and 131 (1) AktG are available on the Company's website at <http://www.skw-steel.com/investor-relations/hauptversammlung/>.

**IV. Publications on the Company's website**

The information required by Section 124a AktG will be made available to shareholders on the website of SKW Stahl-Metallurgie Holding AG at <http://www.skw-steel.com/investor-relations/hauptversammlung/>. The voting results will be announced on the same website after the general meeting.

**Unterneukirchen (Germany), March 2016**

**SKW Stahl-Metallurgie Holding AG**

***The Executive Board***