

DATE: 10 November 2017

Tax strategy

This tax strategy applies to all UK based companies ('UK Group') of the NYSE Euronext Amsterdam listed AMG Advanced Metallurgical Group N.V. ('AMG'). This document sets out the key points of the internal tax strategy document. This document will be subject to annual review.

The tax strategy is approved and owned by the Board of Directors.

The UK Group regard this publication as complying with Part 2 of Schedule 19 of the 2016 Finance Act.

1. Tax Objectives

The objective for the UK Group's finance team, when managing the UK Group's tax position, is to support the AMG Group's strategy whilst ensuring compliance with tax laws and filing obligations. Tax performance is measured in the following ways:

- paying the correct amount of tax in the correct territory in a timely manner;
- forecasting tax cash payments accurately;
- ensuring the relevant claims, elections and incentives are made to minimise the tax cash paid by the Group; and
- implementing and maintaining controls and procedures relating to all taxes to enable the correct tax to be paid.

2. Risk management and governance

Effective risk management is paramount for the UK Group and underpins the strategy for continued growth. The UK Group's appetite for risk is a carefully calibrated part of the business model aligned to the strategic and corporate objectives. The aim is not to avoid or eliminate risk entirely, but to strictly manage the Group's exposure to risk.

The tax strategy is aligned with our AMG Code of Business Conduct which can be found on the AMG website (www.amg-nv.com) and is owned and approved by the Board of Directors of AMG. AMG publishes its own policy on taxes and this can be found at <https://amg-nv.com/wp-content/uploads/AMG-Tax-Policy-Final.pdf>

The UK Group apply OECD guidelines to our intercompany transactions.

3. Acceptable level of UK tax risk

The Finance Director & Financial Controller will understand tax risks and opportunities on future transactions and current tax planning opportunities. They must be involved in the planning, implementation and documentation of all significant business transactions. Appropriate training is given to those individuals involved in the management of tax



activities. Final approval is required to be given by the Finance Director and if material by the Board of Directors.

4. Attitude to tax planning

Parameters have been defined by the Board and should be used in the assessment of tax planning. The UK Group will use these parameters to determine whether tax risks presented by adopting any particular tax planning opportunity are acceptable or not.

This requires commercial purpose to the transaction, consideration of the reputational & financial impact to the UK Group and obtaining tax specialist advice when appropriate.

The UK Group does not engage in artificial tax arrangements.

Tax planning requires authorisation by the Finance Director and any material planning requires approval by the Board of Directors following prior approval from the AMG Group Tax Director.

5. Approach to dealing with HMRC

We try to develop good working relationships with HMRC as well as maintaining dialogue with tax authorities whilst operating in a professional, courteous and timely manner. When a Customer Relationship Manager has been appointed, the CRM has been used by the group as a method to seek advice and communicate relevant business changes.

When know your customer visits, tax enquiries or audits take place, we adopt a proactive approach to the provision of information to HMRC in order to aid the prompt resolution of any matters under review. In order to be able to supply such information, we endeavour to comply with all local document retention requirements.

Footnote:

This tax strategy applies to the following AMG UK Group companies: AMG Superalloys UK Limited, AMG Alpoce UK, AMG Aluminum UK Limited, Metallurg Europe Limited and AMG UK Group Pension Trustee Limited.