The recommendations of the German Corporate Governance Code, as amended, have been complied with and are being complied with apart from the following exceptions:

**Article 3.8 of the Code (directors’ and officers’ (D&O) liability insurance, deductible for board members)**
The D&O policy taken out by the Company for its Supervisory Board members does not provide for a deductible. The Management Board and the Supervisory Board do not expect a deductible to affect the quality of the Supervisory Board’s work.

**Article 4.2.3 sentence 8 of the Code (stock options and similar arrangements)**
The virtual stock option program (phantom stocks) for the Management Board does not make reference to comparison parameters because in Europe there are no suitable comparable companies in the steel distribution sector from which such comparison parameters could be derived.

**Article 4.2.3 sentence 13 of the Code (payments promised in the event of premature termination of Management Board member's contract due to a change of control)**
The payments promised in the event of premature termination of the Management Board members’ contracts due to a change of control have not been and are not formally limited to 150 % of the severance payment cap. If a Board member ceases his Management Board activity due to a change of control, the remaining outstanding (maximum of three) annual tranches of the virtual stock option program will be allocated to him. As a precautionary measure only and in view of the uncertainty regarding treatment and valuation of (virtual) stock options in applying this recommendation, the Company assumes that this compensation component may cause the threshold of 150 % of the severance payment cap to be exceeded.

**Article 5.4.5 of the Code (number of Supervisory Board mandates in non-group companies)**
One member of the Supervisory Board of the Company, who is a member of the Management Board of a listed company, was an elected member of four Supervisory Boards of non-group listed companies as well as of one company with similar requirements at the time the German Corporate Governance Code was amended in the summer of 2009. The new recommended number of three such mandates thus has been and is exceeded. The Supervisory Board intends to give due consideration to this new recommendation when nominating Supervisory Board members in the future.

Duisburg/Germany, December 15, 2010

The Supervisory Board

The Management Board