

**2012 Joint Declaration of Conformity
by the Management Board and the Supervisory Board of
Klöckner & Co SE pursuant to Section 161 of the German Stock Corporation Act on
the German Corporate Governance Code**

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 14 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 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, is besides the office at Klöckner & Co SE also member of two other Supervisory Boards of non-group listed companies as well as of one other non-group company that has similar requirements. The recommended number of in total three such mandates thus has been and is exceeded. However, we do not believe that this detracts from the ability of the individual concerned to diligently perform his duties as a member of the Company's Supervisory Board.

Article 5.4.6 sentence 5 of the Code (Supervisory Board Compensation)

The compensation of the Supervisory Board members of the Company is to date partly performance-related without being oriented toward sustainable growth of the enterprise. Therefore, the Company's Articles of Association do not comply with the Code's recommendation as amended on 15 May 2012. With regard to the 2013 Annual General Meeting, Management Board and Supervisory Board intend to propose an amendment to the compensation system for the Supervisory Board that is in line with the recommendation.

Duisburg/Germany, December 4, 2012

The Supervisory Board

The Management Board