The recommendations of the German Corporate Governance Code (hereinafter referred to as the "Code"), as amended, have been complied with and are being complied with apart from the following exceptions:

**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.

Duisburg/Germany, December 9, 2014

The Supervisory Board

The Management Board