

## **Revision of the compensation system for the Executive Board of Aurubis AG from 01.10.2009**

### **Compensation of the Executive Board**

The requirements for Executive Board compensation changed when the Act on the Appropriateness of Executive Board Compensation (VorstAG) came into force on 5 August 2009.

The Supervisory Board has accordingly examined the compensation system in detail and revised it. The principle of the new provisions is to orient the Executive Board's contracts more strongly to long-term corporate development. The new compensation system came into effect at the beginning of fiscal year 2009/10.

The compensation of the individual Executive Board members is defined in their employment contracts and consists of a series of components, comprising fixed compensation, variable compensation and fringe benefits and pension plans.

The various compensation components are as follows:

The compensation of the Executive Board members is made up of fixed and variable components. The fixed parts consist of fixed compensation, the fringe benefits and pension plans. The fixed compensation amounts to € 480,000 for the Chief Executive Officer and € 336,000 for the ordinary members of the Executive Board and is paid out monthly in equal instalments. In addition, the Executive Board members receive fringe benefits in the form of benefits in kind, mainly comprising the value of insurance premiums in accordance with the fiscal guidelines and the use of a company car. The individual Executive Board members must pay tax on these fringe benefits as components of their compensation.

The new system for variable compensation consists of two components, which are paid out each year. The first component (Component 1) is dependent on achieving

an annual target related to an adjusted average EBT (consolidated earnings before taxes) of three years, in each case related to the current and the two prior fiscal years before the respective fiscal year. The target is an EBT derived from a ROCE of 15 %. The target bonus of Component 1 amounts to about 60 % of the variable compensation in relation to Component II and can reach a cap of 100 %. If the EBT is less than 40 % of the target, Component 1 will not be paid. The maximum amount that can be reached from these components amounts to € 600,000 for the Chief Executive Officer and € 400,000 for ordinary members of the Executive Board.

Component II stipulates that an annual assessment of the joint (Component II a) and individual (Component II b) performance of the Executive Board will be carried out by the Supervisory Board. Both components are based on a qualitative criteria-supported assessment of the long-term company management.

The target bonus of Component II has a cap of 100 %. Less than 50 % of the target bonus is paid out only if the granting of same would be unreasonable in the sense of Section 87 paragraph II Companies Act. The maximum amount to be reached from Components II a and II b amounts to € 200,000 for the Chief Executive Officer and € 140,000 for each of the ordinary members of the Executive Board.

In addition, pension plans have been agreed for the individual Executive Board members, with the exception of Dr Boel. The pension benefits are determined as a varying percentage of the fixed compensation. The percentage increases based on the length of service on the Board. The pension is payable once the Executive Board members reaches the age of 65 (Dr Drouven, Mr Faust und Mr Willbrandt) or 62 (Dr Landau) or in the event of their disability. Dr Boel has a defined contribution pension plan, for which an amount of € 50,000 is paid to an insurance company each year.

The employment contracts of Executive Board members include no change of control clauses. In the event of non-renewal of their Executive Board contracts for reasons for which they are not responsible, Executive Board members (with the exception of Dr Boel) will under certain conditions receive an early retirement pension from the pension plan. These conditions are fulfilled if the Executive Board members has

completed at least five years of service at Aurubis AG and is at least 55 years old (Dr Drouven, Mr Faust and Mr Willbrandt) or has completed either 25 or 15 years of service and is at least 50 years old (Dr Landau).

Pensions paid before they reach 62 or 65 years respectively have the character of a bridging payment. Compensation paid to an Executive Board member for activities outside the Aurubis Group after termination of his contract is offset against the pension until he reaches the age of 62 or 65 respectively.

Apart from the defined benefit pension plans for Dr Drouven, Mr Faust, Mr Willbrandt and Dr Landau and the defined contribution pension plan for Dr Boel, all the members of the Executive Board, with the exception of Dr Landau, have an additional defined contribution company pension plan. This pension plan is based on a lump sum single payment. At the end of each fiscal year, € 120,000 for the Chief Executive Officer, and € 80,000 for the other three Executive Board members is paid into a pension plan account, beginning at the end of fiscal year 2009/10.

The Executive Board members can use the accumulated capital at the earliest when they have reached 60 years of age, but not before ceasing to be employed by the company.