

Compensation Report for the Executive Board and the Supervisory Board of Aurubis AG

The following Compensation Report is part of the Combined Management Report. It outlines the structure and level of the Aurubis AG's Executive Board and Supervisory Board compensation.

COMPENSATION FOR THE EXECUTIVE BOARD

The Supervisory Board defines the total compensation of the individual Executive Board members on the basis of proposals from the Personnel Committee and decides on and reviews the compensation system for the Executive Board at regular intervals.

In 2017, the Supervisory Board updated the compensation system, working together with an independent external compensation expert. The participants of the Annual General Meeting approved the compensation system pursuant to Section 120 (4) of the German Stock Corporation Act (AktG) on March 1, 2018.

In light of the fundamental revision of the German Corporate Governance Code and the transposition of the second EU Shareholder Rights Directive (EU 2017/828, SRD II) in the German Stock Corporation Act (AktG), the Supervisory Board revised the Executive Board compensation system once again. The Supervisory Board will present the new compensation system at the 2021 Annual General Meeting for approval. Furthermore, the 2021 Annual General Meeting will pass a resolution, in accordance with Section 113 (3) of the German Stock Corporation Act (AktG), on the Supervisory Board compensation, which is outlined in the Articles of Association unchanged.

EXPLANATION OF THE PREVIOUS COMPENSATION SYSTEM FOR THE EXECUTIVE BOARD

The previous compensation system applied to the Executive Board compensation in fiscal year 2019/20. This system is as follows:

The compensation system consists of fixed and variable components. The compensation structure includes maximum limits, both overall and with regard to its variable compensation components. The compensation system applied to Executive Board Chairman Mr. Roland Harings, Chief Financial Officer Mr. Rainer Verhoeven, and Chief Technology Officer Dr. Thomas Bünger.

For new Chief Operating Officer Dr. Heiko Arnold, who was appointed effective August 15, 2020, an individual contractual arrangement based on the previous compensation system was agreed upon until the new compensation system went into effect on October 1, 2020.

Pursuant to his employment contract, Dr. Bünger's total compensation was adjusted to match the level of the regular Executive Board members as at April 1, 2020.

The details of the various compensation components are as follows:

Fixed components

The fixed compensation components consist of the fixed compensation, the pension plans, and the fringe benefits.

The annual fixed compensation amounted to € 600,000 for Mr. Harings, € 420,000 for Mr. Verhoeven and Dr. Arnold, and € 340,000 for Dr. Bünger in the past fiscal year until March 31, 2020, and € 420,000 starting April 1, 2020. These amounts are paid out monthly in equal installments.

All Executive Board members receive an entitlement for the company pension plan in the form of a pension commitment. Aurubis AG's contribution amounts to € 140,000 per year for the Executive Board chairman and € 100,000 per year for ordinary Executive Board members. The contributions are paid into liability insurances.

All members of the Executive Board also have a defined contribution company pension plan in the form of a capital commitment. Aurubis AG's contribution amounts to € 120,000 per year for the Executive Board chairman and € 80,000 per year for ordinary Executive Board members. The respective Executive Board member can use the accumulated capital after reaching the age of 62 at the earliest, however not before ceasing to be employed by the company.

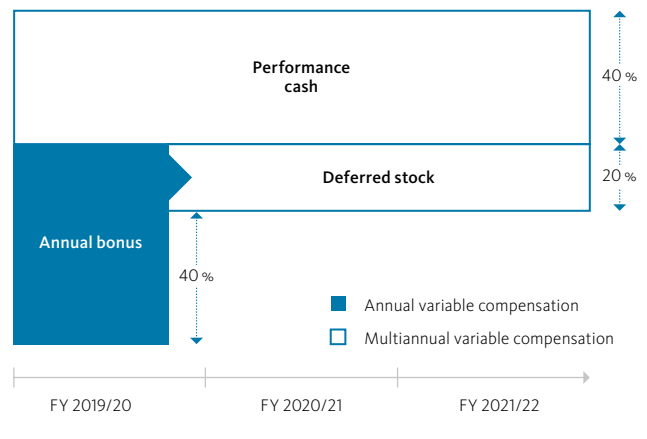
Additionally, the Executive Board members receive fringe benefits in the form of benefits in kind, which primarily consist of insurance premiums and company car use and are assessed according to tax guidelines.

At its discretion, the Supervisory Board can grant special compensation for exceptional performance that is not covered by the regular compensation. This is stipulated in the employment contract. However, the total cap may not be exceeded. No special compensation was granted in fiscal year 2019/20.

Variable components

The system for variable compensation includes both annual variable compensation (annual bonus) and multiannual variable compensation, which is forward-looking. The multiannual, forward-looking variable compensation consists of both a performance cash plan over three fiscal years and stock deferred over two fiscal years (virtual stock). The ratio of multiannual to annual variable compensation is 60:40, so the former exceeds the latter.

Variable compensation



Annual bonus

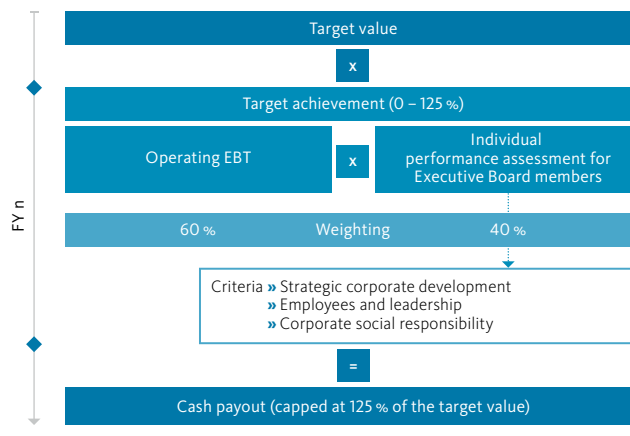
Two-thirds of the annual variable compensation (the annual bonus) is paid out after the end of the fiscal year and amounts to € 400,000 (max. € 500,000) for Mr. Harings in the case of 100% target achievement, € 272,000 (max. € 340,000) for Mr. Verhoeven in the case of 100% target achievement, and € 220,000 (max. € 275,000) for Dr. Bünger in the case of 100% target achievement until March 31, 2020, and € 272,000 (max. € 340,000) in the case of 100% target achievement starting April 1, 2020.

The remaining one-third of the annual bonus is transferred to a virtual two-year stock deferral plan.

Dr. Arnold receives a one-time payment of € 52,537.00 to compensate for the one-year variable compensation and the corresponding transfer to deferred stock from fiscal year 2019/20.

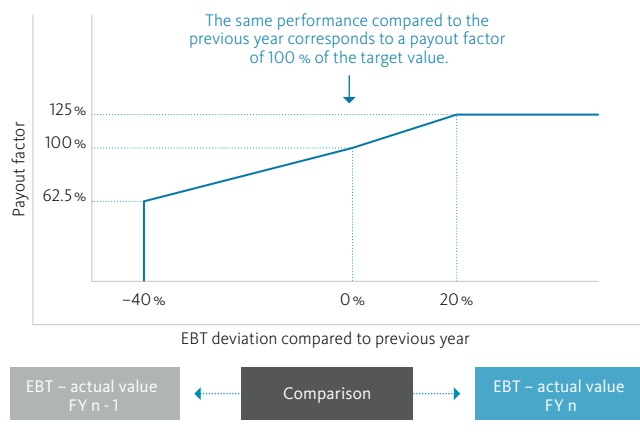
The annual bonus is calculated with a weighting of 60% according to the target set for the fiscal year for the operating EBT components, and a weighting of 40% according to the assessment of the Executive Board member’s individual performance for the respective fiscal year, both multiplied by the target value defined in the Executive Board contract.

Annual bonus operating principle



The target achievement for the operating EBT is determined on the basis of an actual/actual comparison. The actual value of the operating EBT in the respective fiscal year is compared with the actual value of the operating EBT of the fiscal year preceding the current fiscal year (previous year). For an unchanged operating EBT compared to the previous year, the target achievement is 100%. If the operating EBT is increased by 20%, the maximum value of 125% target achievement is reached. For an operating EBT of -40% compared to the previous year, the minimum value of 62.5% target achievement is reached. The target achievement between these points (62.5%, 100%, 125%) is interpolated in a linear manner. If the maximum value is reached, further increases to the operating EBT do not lead to an additional increase in the target achievement. If the minimum value is not reached, the target attainment amounts to 0%. If the operating EBT is negative for both the previous year and the respective fiscal year, the Supervisory Board is authorized to set the target attainment according to its discretion. If a positive operating EBT was achieved in the previous year and a negative EBT in the respective fiscal year, the target attainment amounts to 0%. The annual bonus rewards operating consolidated earnings growth and thereby a strengthening of the company’s profitability as compared with the previous year’s EBT.

Calibrating the performance targets – EBT



Individual performance is evaluated by the Supervisory Board and is based on criteria previously defined in the employment contract or in corresponding follow-up agreements. Currently, strategic company development, employees and leadership, corporate social responsibility, and an improvement in results are designated as criteria for assessing individual performance. The Supervisory Board can set the degree of target attainment between 0% and 125%. Furthermore, the Supervisory Board can, at its discretion, reduce the annual bonus in the event of extraordinary, unforeseeable developments (Section 87 (1) sentence 3 (second half of the sentence) of the German Stock Corporation Act (AktG)).

The annual bonus stipulates a target value cap of 125% for Executive Board members. The annual bonus can therefore amount to a maximum of € 750,000 for Mr. Harings, a maximum of € 510,000 for Mr. Verhoeven, and a maximum of € 412,500 until March 31, 2020 for Dr. Bünger (€ 510,000 starting April 1, 2020 for Dr. Bünger).

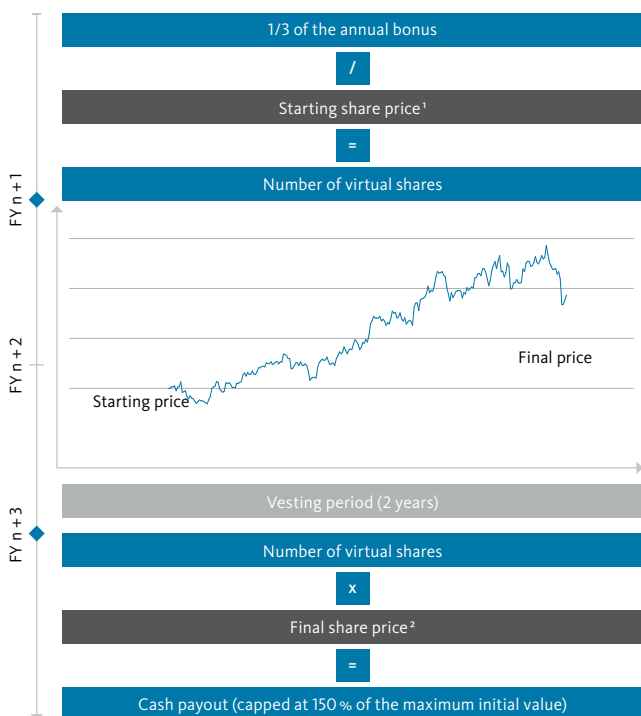
Two-thirds of the annual bonus is paid out directly after the end of the fiscal year. The last third is paid into the stock deferral, which is explained below. There is also a cap on the deferred stock payout.

Deferred stock

In order to guarantee a focus on stock for the variable compensation, one-third of the annual bonus flows into a virtual stock deferral plan. The stock deferral plan stipulates a two-year, forward-looking assessment basis and amounts to € 200,000 for Mr. Harings in the case of 100% target achievement, € 136,000 for Mr. Verhoeven in the case of 100% target achievement, and € 110,000 until March 31, 2020 for Dr. Bünger in the case of 100% target achievement (€ 136,000 starting April 1, 2020 for Dr. Bünger in the case of 100% target achievement).

The number of virtual shares at the beginning of the two-year vesting period is calculated by dividing one-third of the annual bonus by the starting share price. The starting share price is designated by the arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the beginning of the two-year deferral term.

Deferred stock operating principle



¹ Arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the beginning of the vesting period.
² Arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days before the end of the vesting period.

At the end of the two-year term, the number of virtual shares is multiplied by the closing share price. The closing share price also results from the arithmetic average of the Xetra closing price for Aurubis shares on the Frankfurt Stock Exchange over the last 30 trading days, this time before the end of the term. The resulting amount is paid out to the Executive Board members in cash at the end of the two-year term. However, the amount of the payout is limited to 150% of the initial value (corresponding to one-third of the annual bonus). The payout from the stock deferral plan is limited to € 375,000 for Mr. Harings, to € 255,000 for Mr. Verhoeven, and to € 206,250 for Dr. Bünger until March 31, 2020 (€ 255,000 starting April 1, 2020).

Performance cash plan

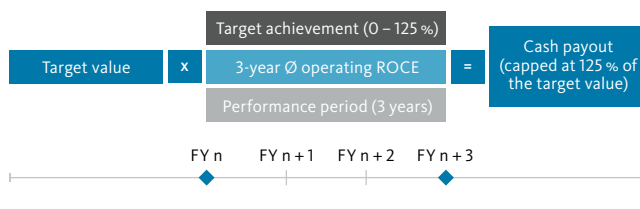
The performance cash plan stipulates a three-year, forward-looking assessment basis. The relevant performance target is the average operating return on capital employed (ROCE) over the three-year period, as identified in the Annual Report. The amount paid out is calculated by multiplying the target set at the end of the three-year period for the operating ROCE by the target value of the performance cash plan specified in the Executive Board contract. The target value currently amounts to € 400,000 for Mr. Harings, € 272,000 for Mr. Verhoeven, and a maximum of € 220,000 for Dr. Bünger until March 31, 2020, and € 272,000 starting April 1, 2020. The calculated amount to be paid out is limited to 125% of the target and can therefore reach a maximum of € 500,000 for Mr. Harings, a maximum of € 340,000 for Mr. Verhoeven, and a maximum of € 275,000 until March 31, 2020 for Dr. Bünger (maximum of € 340,000 starting April 1, 2020 for Dr. Bünger). Furthermore, the Supervisory Board can, at its discretion, reduce the performance cash bonus in the event of extraordinary, unforeseeable developments (Section 87 (1) sentence 3 (second half of the sentence) of the German Stock Corporation Act (AktG)).

Dr. Arnold receives a one-time payment of € 35,025.00 to compensate for the multi-year variable compensation from fiscal year 2019/20.

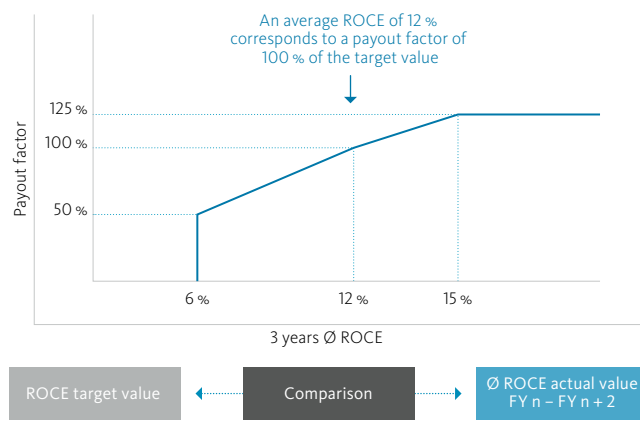
In order to determine the final target achievement for the performance cash plan, the average operating ROCE achieved during the period (calculated annually after the respective fiscal years) is calculated at the end of the three-year period. The Supervisory Board determines an amount for 100% target achievement ("target value") for the average operating ROCE as well as amounts for 50% target achievement ("minimum value") and 125% target achievement ("maximum value"). The target value of the average operating ROCE for the three-year time periods for the fiscal years from 2017/18 up to and including 2019/20, 2018/19 up to and including 2020/21, and 2019/20 up to and including 2021/22 amounts to 12% in each case, with the minimum value being 6% and the maximum value 15%.

The same target values also apply for the next three-year period from 2020/21 up to and including 2022/23. The target achievement between these points (50%, 100%, 125%) is interpolated in a linear manner. If the minimum value is not reached, there is no payout from the performance cash plan. If the maximum value is reached, further increases to the average operating ROCE do not lead to an additional increase in the target achievement. The performance cash plan incentivizes the generation of a positive value contribution by means of an ambitious ROCE target range. The payout takes place at the end of the respective three-year period in cash.

Performance cash plan operating principle



Calibrating the performance targets – ROCE



Total cap

In total (fixed and variable components), compensation is limited to an amount of € 1,975,000 for Mr. Harings, to an amount of € 1,355,000 for Mr. Verhoeven, and to € 1,096,250 for Dr. Büniger until March 31, 2020 (€ 1,355,000 starting April 1, 2020). Fringe benefits and benefit contributions from pension commitments do not fall under the total cap.

Premature termination

In the event of a premature termination of an Executive Board position without good cause, a severance payment will be made within the scope of the compensation system. Such payment is limited to two years' total annual compensation and does not provide compensation for any period longer than the remaining term of the employment contract. The employment contracts for the Executive Board members do not contain Change of Control clauses.

AMOUNT OF COMPENSATION FOR THE EXECUTIVE BOARD IN FISCAL YEAR 2019/20

In total, compensation for active Executive Board members for activities in fiscal year 2019/20 amounted to € 3,272,414, including pension expenses (€ 730,301) and expenses for the virtual stock deferral plan (€ 660,397).

The company has set up pension provisions on the basis of IFRS for the Executive Board members. In the reporting year, allocations to pension provisions for the active Executive Board members amounted to € 730,301. This amount comprises contributions to an external pension fund.

Former members of the Executive Board and their surviving dependents received a total of € 2,566,683 in fiscal year 2019/20, while € 26,350,132 (in accordance with HGB) and € 31,068,407 (in accordance with IAS) has been provided for their pension entitlements.

Individual details can be found in the following tables:

Benefits granted

in €		Fixed compensation	Fringe benefits	Total
Roland Harings Deputy Executive Board Chairman from May 20, 2019 to June 30, 2019 Executive Board Chairman since July 1, 2019	2018/19	221,739	6,334	228,073
	2019/20	600,000	12,571	612,571
	Min.	600,000	12,571	612,571
	Max.	600,000	12,571	612,571
Dr. Heiko Arnold ¹ Executive Board member since August 15, 2020	2018/19	0	0	0
	2019/20	53,333	4,035	57,368
	Min.	53,333	4,035	57,368
	Max.	53,333	4,035	57,368
Dr. Thomas Bünger Executive Board member since October 1, 2018	2018/19	340,000	30,439	370,439
	2019/20	380,000	30,086	410,086
	Min.	380,000	30,086	410,086
	Max.	380,000	30,086	410,086
Rainer Verhoeven Executive Board member since January 1, 2018	2018/19	420,000	15,935	435,935
	2019/20	420,000	16,097	436,097
	Min.	420,000	16,097	436,097
	Max.	420,000	16,097	436,097
Jürgen Schachler ² Executive Board Chairman from July 1, 2016 to June 30, 2019	2018/19	450,000	17,922	467,922
	2019/20	0	0	0
	Min.	0	0	0
	Max.	0	0	0
Total	2018/19	1,431,739	70,630	1,502,369
	2019/20	1,453,333	62,789	1,516,122

Inflow

in €		Fixed compensation	Fringe benefits	Total
Roland Harings Deputy Executive Board Chairman from May 20, 2019 to June 30, 2019 Executive Board Chairman since July 1, 2019	2018/19	221,739	6,334	228,073
	2019/20	600,000	12,571	612,571
Dr. Heiko Arnold ¹ Executive Board member since August 15, 2020	2018/19	0	0	0
	2019/20	53,333	4,035	57,368
Dr. Thomas Bünger Executive Board member since October 1, 2018	2018/19	340,000	30,439	370,439
	2019/20	380,000	30,086	410,086
Rainer Verhoeven Executive Board member since January 1, 2018	2018/19	420,000	15,935	435,935
	2019/20	420,000	16,097	436,097
Jürgen Schachler ² Executive Board Chairman from July 1, 2016 to June 30, 2019	2018/19	450,000	17,922	467,922
	2019/20	0	0	0
Total	2018/19	1,431,739	70,630	1,502,369
	2019/20	1,453,333	62,789	1,516,122

¹ Refers to compensation for the time period from August 15, 2020 to September 30, 2020.

² Refers to compensation in the last fiscal year 2018/19 for the time period from October 1, 2018 to June 30, 2019.

³ The fair value based on planning data amounts to € 660,397. The subscription right for deferred stock in 2019/20 applies to 3,269 virtual shares for Roland Harings, 2,223 virtual shares for Rainer Verhoeven, and 2,011 virtual shares for Dr. Thomas Bünger.

Variable compensation for one year	Variable compensation for several years	Variable compensation for several years: deferred stock	Variable compensation for several years: performance cash plan	Total	Pension expenses ¹	Total compensation
139,123		69,562	112,584	549,342	200,165	749,507
393,557		196,778	312,222	1,515,129	260,000	1,775,129
0		0	0	612,571	260,000	872,571
500,000		375,000	500,000	1,987,571	260,000	2,247,571
0	0	0	0	0	0	0
52,537		0	35,025	144,930	110,301	255,231
0		0	0	57,368	110,301	167,669
0		0	0	57,368	110,301	167,669
208,426		104,213	168,667	851,744	180,000	1,031,744
242,038		121,019	192,017	965,159	180,000	1,145,159
0		0	0	410,086	180,000	590,086
307,500		230,625	307,500	1,255,711	180,000	1,435,711
257,690		128,845	208,533	1,031,003	180,000	1,211,003
267,619		133,809	212,311	1,049,836	180,000	1,229,836
0		0	0	436,097	180,000	616,097
340,000		255,000	340,000	1,371,097	180,000	1,551,097
375,000	410,063			1,252,985	0	1,252,985
0	0			0	0	0
0	0			0	0	0
0	0			0	0	0
980,239	410,063	302,619	489,784	3,685,075	560,165	4,245,240
955,750	0	451,607	751,575	3,675,054	730,301	4,405,355

Variable compensation for one year	Variable compensation for several years	Variable compensation for several years: deferred stock ³	Variable compensation for several years: performance cash plan	Total	Pension expenses	Total compensation
0				228,073	200,165	428,238
123,315		0	0	735,886	260,000	995,886
0	0			0	0	0
0	0			57,368	110,301	167,669
0				370,439	180,000	550,439
145,143		0	0	555,229	180,000	735,229
227,419				663,354	180,000	843,354
222,970		0	0	659,067	180,000	839,067
475,000	559,500			1,502,422	0	1,502,422
187,500	347,063			534,563	0	534,563
702,419	559,500	0	0	2,764,288	560,165	3,324,453
678,928	347,063	0	0	2,542,113	730,301	3,272,414

COMPENSATION FOR THE SUPERVISORY BOARD

Supervisory Board compensation for fiscal year 2019/20

in €

Name		Fixed compensation	Compensation for committee membership	Attendance fees	Total
Prof. Dr. Fritz Vahrenholt	2018/19	225,000	50,000	10,000	285,000
	2019/20	225,000	50,000	9,000	284,000
Renate Hold-Yilmaz	2018/19	82,603	20,651	9,000	112,254
	2019/20	0	0	0	0
Deniz Filiz Acar	2018/19	31,027	4,562	3,000	38,589
	2019/20	75,000	15,000	9,000	99,000
Andrea Bauer	2018/19	75,000	12,062	7,000	94,062
	2019/20	75,000	22,500	9,000	106,500
Christian Ehrentraut	2018/19	31,027	4,562	5,000	40,589
	2019/20	75,000	15,000	10,000	100,000
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	2018/19	75,000	25,000	14,000	114,000
	2019/20	75,000	25,000	12,000	112,000
Karl-Heinz Hamacher	2018/19	18,904	3,781	0	22,685
	2019/20	0	0	0	0
Prof. Dr. Karl Friedrich Jakob	2018/19	75,000	22,541	12,000	109,541
	2019/20	75,000	22,500	10,000	107,500
Jan Koltze	2018/19	75,000	19,562	12,000	106,562
	2019/20	75,000	25,000	13,000	113,000
Dr. Stephan Krümmer	2018/19	75,000	39,781	14,000	128,781
	2019/20	75,000	45,000	14,000	134,000
Dr. Elke Lossin	2018/19	75,000	15,000	12,000	102,000
	2019/20	75,000	15,000	10,000	100,000
Dr. Sandra Reich	2018/19	75,000	15,000	12,000	102,000
	2019/20	75,000	15,000	10,000	100,000
Stefan Schmidt	2018/19	97,808	19,562	12,000	129,370
	2019/20	150,000	25,000	13,000	188,000
Melf Singer	2018/19	75,000	9,801	9,000	93,801
	2019/20	75,000	15,000	10,000	100,000
Ralf Winterfeldt	2018/19	24,658	3,740	4,000	32,398
	2019/20	0	0	0	0
Total	2018/19	1,111,027	265,603	135,000	1,511,630
	2019/20	1,125,000	290,000	129,000	1,544,000

COMPENSATION FOR THE SUPERVISORY BOARD SUPERVISORY BOARD COMPENSATION FOR FISCAL YEAR 2019/20

The compensation for the Supervisory Board was defined at the Annual General Meeting with effect from October 1, 2015 and is governed by Section 2 of Aurubis AG's Articles of Association. It is oriented towards the various demands of the Supervisory Board and its committees. The 2021 Annual General Meeting will pass a resolution, in accordance with Section 113 (3) of the German Stock Corporation Act (AktG), on the Supervisory Board compensation, which is outlined in the Articles of Association unchanged.

All Supervisory Board members receive fixed compensation of € 75,000/fiscal year each, in addition to the reimbursement of expenses incurred while performing their duties. The Supervisory Board chairman receives three times that amount, and the deputy receives twice that.

Supervisory Board members who serve on the Personnel and/or Audit Committee additionally receive fixed compensation of € 15,000 per fiscal year per committee. Supervisory Board members who serve on the other Supervisory Board committees additionally receive fixed compensation in the amount of € 7,500/fiscal year per committee. Supervisory Board members who chair a Supervisory Board committee receive twice that amount per fiscal year for each committee chairmanship.

The fixed compensation for committee activity is limited to € 25,000 per fiscal year for each Supervisory Board member, in accordance with Section 12 (2) of the Articles of Association. The limit for every committee chairmanship is € 50,000/fiscal year.

Supervisory Board members who do not belong to the Supervisory Board or one of its committees for a full fiscal year receive compensation commensurate with the duration of their service. Furthermore, Supervisory Board members receive an attendance fee in the amount of € 1,000 for each meeting of the Supervisory Board and of its committees attended.

On this basis, the Supervisory Board members received a total of € 1,544,000 [Q Supervisory Board compensation for fiscal year 2019/20, page 36.](#)

Hamburg, December 8, 2020

For the Executive Board




Roland Harings
Chairman



Rainer Verhoeven
Member

For the Supervisory Board



Prof. Dr. Fritz Vahrenholt
Chairman