



# LETTER FROM THE EXECUTIVE BOARD

*Dear shareholders and friends of the company,*

Following a turbulent fiscal year with its fair share of bumps, we have nevertheless achieved some important milestones.

Such milestones include the acquisition of the Metallo Group, which is still subject to approval by the European Commission. The acquisition is an important step in our development into a multi-metal company, as it will boost our metal portfolio, particularly in nickel, zinc, tin, and lead. At the same time, we intend to strengthen our recycling business, an increasingly important driver of earnings for us, with the integration of the Metallo Group. The magazine accompanying our Annual Report provides deeper insights into our recycling activities – the challenges, opportunities, and successes.

In addition to the recycling business and a broad portfolio of non-ferrous metals, Aurubis and Metallo have another important feature in common: their efforts to bring their production processes in line with our environment and the society in which we live and work. With production sites in the heart of Europe, we already fulfill the highest environmental standards in the world. Nevertheless, we continue to set the bar a little higher. We have ideas for new technologies and processes to use hydrogen and renewable energies in production, for example, as well as for intelligent and lasting measures to reduce CO<sub>2</sub>. And not just within our plant boundaries, but beyond them as well. We want to make our contribution to the European vision of a CO<sub>2</sub>-neutral continent. This is a feat that can only be managed together – with policymakers and our partners in our value chain.

“  
***We want to make  
our contribution to the  
European vision of a  
CO<sub>2</sub>-neutral continent.***  
”

ROLAND HARINGS

Fiscal year 2018/19 showed us once again that, despite careful preparations, reality sometimes develops differently than originally planned. After the European Commission prohibited the sale of our Segment Flat Rolled Products (FRP) in February 2019, we are now reviewing additional strategic options for a future sale.

*From left to right:*

**DR. THOMAS BÜNGER**  
Chief Operations Officer

**RAINER VERHOEVEN**  
Chief Financial Officer

**ROLAND HARINGS**  
Executive Board Chairman

“  
***We have to focus on  
further developing preventive  
maintenance.***

”

DR. THOMAS BÜNGER

Moreover, the Executive Board and Supervisory Board made the decision to stop the internal growth project Future Complex Metallurgy – FCM for short – in its original form in June 2019. This wasn't an easy decision for us, but it was necessary. It became clear at that point in time that the project would require much higher investments than planned. FCM was thus no longer as profitable as originally expected. A key focus of the project was to increase the throughput of complex raw materials in the Group. We have now fully documented FCM. It's important for us to emphasize that the discontinuation of FCM does not mean that there will be a change in strategy.

Another thing that didn't develop as we had expected was the operating performance of our production facilities. Unplanned shutdowns at three important sites impacted our earnings. We subsequently established different initiatives and working groups to address this issue, not only to analyze the reasons for the downtimes to develop incremental improvements, but to go one step further and rethink maintenance as a whole. Preventive maintenance needs to be a stronger focus. In addition, we're taking a look at whether the materials and designs of the facilities concerned are fit for the future. We see an opportunity to learn from the setbacks of the past fiscal year, to draw the right conclusions to do things better in the future.

It's no surprise that these effects are reflected in the development of our operating result. After having one of the best fiscal years in Aurubis' history in 2017/18, operating earnings before taxes (EBT) during the reporting year amounted to € 192 million. Operating ROCE, or return on capital employed, developed similarly to earnings and reached 8.6% at the end of fiscal year 2018/19.

During fiscal year 2018/19, significant influencing factors for the operating result included the shutdowns at our smelter sites. These in particular led to an over 300,000 t reduction in concentrate throughput, to 2.2 million t, and thus to lower income from treatment charges. Higher energy costs and weaker demand for shapes and flat rolled products due to a decline in demand from the automotive industry weighed on the operating earnings situation as well.

One exceptional factor was a change in the definition of our operating result that we made during the reporting year, which led to a permanent impairment loss on copper inventories in the Group. An impairment loss recognized against Segment FRP's non-current assets as well as expenses in the course of the termination of FCM were similar. A receivable from Wieland-Werke AG arising from the prohibited sale of Segment FRP had a counteracting impact. These four effects had a total impact of about € 60 million on the operating result.

In contrast to these factors, a good metal gain had a positive influence in the fourth fiscal year quarter. Besides taking advantage of the high precious metal prices and selling more precious metals, we also benefited from higher sulfuric acid revenues during the reporting year: despite lower production volumes due to our shutdowns, we profited from good demand overall, with higher prices compared to the previous fiscal year.

Our existing efficiency improvement program contributed positively to the operating results, though weaker market conditions compared to the base year 2014/15 caused stronger headwinds. For this reason, we will transfer the current program, which focuses on leveraging efficiency across the Group, to a new program focusing on cost reduction in 2019/20. As before, our goal is to counteract inflation and to prevent the risks of weaker economic and market conditions. We will of course do this with the necessary sense of proportion to allow room for growth.

Even with a challenging fiscal year behind us, Aurubis remains robust: at the end of the past fiscal year, we had an operating equity ratio of about 55 %, net surplus financial funds of around € 140 million, and a good net cash flow of € 272 million. We want to continue allowing you to participate in the company's development and will therefore recommend the payout of a dividend of € 1.25 per share to the shareholders. As at the reporting date of September 30, 2019, this would correspond to an attractive dividend yield of 3.1 %. This equates to a payout ratio of 41 %, which considerably exceeds our dividend policy of paying out at least 25 % of the operating consolidated net income. The recommendation also takes into consideration the fact that we don't want to burden our shareholders with the adjustment of our definition of the operating result.

“  
***With a payout ratio of more than 40 %, we would considerably exceed our dividend policy.***  
”

**RAINER VERHOEVEN**

Ladies and gentlemen, we can't be satisfied with the business performance of the reporting year. To reiterate, we see an opportunity for improvement here. We are proud to see how Aurubis' employees stand together even in challenging times during which we, the Executive Board, have to make hard decisions. We are facing an increasingly difficult economic environment as a team and are driving the transformation of our company together. At this juncture, the entire Executive Board would like to express its sincere gratitude to all employees for their high commitment and hard work.

Some of this work during the past fiscal year involved the further implementation of our digital strategy. In defined project teams, we pushed forward with the harmonization of software solutions, processes, and approaches throughout the Group, reaching important milestones in the process. For example, we're taking stronger advantage of the options that sensors and data analysis provide to gain an even better understanding of the processes in our plants. We condense this knowledge in interdisciplinary teams from divisions such as Research & Development, Supply Chain Management, and Production to ultimately optimize process management in the plants.

We want to get back on track for success in fiscal year 2019/20. With the successful planned maintenance shutdowns in Pirdop, Lünen, and Hamburg, we created important conditions for more reliable production in our plants in the future. However, we won't be able to return to our earlier results immediately in fiscal year 2019/20, due also to the fact that the situation on our purchasing and sales markets has dampened and poses new challenges for us in fiscal year 2019/20.

In light of these challenges, we are confident that with our multi-metal approach and the targeted expansion of our international recycling business, we have the right strategy to successfully guide Aurubis into the future. This includes continued growth through acquisitions. We have sufficient financial leeway for this. We're confident that we can make this path a reality together with our employees.

We would like to thank all of our employees, shareholders, customers, and suppliers for their continued trust in our company. We hope that you will continue to accompany us on our path into the future.

Sincerely,



Roland Harings



Dr. Thomas Bünger



Rainer Verhoeven

## THE EXECUTIVE BOARD

### ROLAND HARINGS

Executive Board Chairman

After earning his mechanical engineering degree, Roland Harings began his career at Webasto AG. Following a number of international assignments, he switched to Alcan in 1995, where he held various positions. He most recently oversaw automotive sales for Alcan in Europe. Starting in 2005, Mr. Harings managed the integrated aluminum rolling mill of Novelis in Switzerland. He was in charge of Novelis' global automotive business as of 2010. Prior to his appointment to the Aurubis AG Executive Board, he was CEO/managing director of Mansfelder Kupfer und Messing GmbH starting from 2014.

### DR. THOMAS BÜNGER

Chief Operations Officer

Dr. Bünger studied non-ferrous metallurgy. He initially worked as a research fellow at the TU Bergakademie Freiberg and, starting in 1996, as an R&D engineer at Freiburger Compound Materials GmbH. In 2005, Dr. Bünger switched to Norddeutsche Affinerie (Aurubis since 2009), where he started out as a production engineer in the secondary smelter and subsequently held various positions, most recently, senior vice president of operations. He is also chairman of the Board of Directors at the Bulgarian site.

### RAINER VERHOEVEN

Chief Financial Officer

After studying business management, Rainer Verhoeven started his career with what is now thyssenkrupp AG. He initially worked in finance and accounting at thyssenkrupp outside of Germany. Before joining Aurubis, Rainer Verhoeven was chief financial officer of thyssenkrupp Electrical Steel GmbH.

## Executive Board

### **Roland Harings, Hamburg, since May 20, 2019**

Born: June 28, 1963, German citizen  
 Executive Board Chairman and Director of Industrial Relations since July 1, 2019  
 Segment Metal Refining & Processing  
 Deputy Executive Board Chairman from May 20, 2019 until June 30, 2019  
 Appointed from May 20, 2019 to June 30, 2022

### **Dr. Thomas Bünger, Lüneburg**

Born: July 2, 1968, German citizen  
 Chief Operations Officer  
 Appointed from October 1, 2018 until September 30, 2021

- » Aurubis Belgium NV/SA, Brussels, Belgium  
 Director
- » Aurubis Bulgaria AD, Pirdop, Bulgaria  
 Board of Directors
- » Aurubis Italia Srl, Avellino, Italy  
 Chairman of the Board of Directors

### **Rainer Verhoeven, Hamburg**

Born: December 2, 1968, German citizen  
 Chief Financial Officer  
 Segment Flat Rolled Products  
 Appointed from January 1, 2018 until December 31, 2020

- » Aurubis Belgium NV/SA, Brussels, Belgium  
 Chairman of the Board of Directors

### **Jürgen Schachler, Hamburg, until June 30, 2019**

Born: July 31, 1954, German citizen  
 Executive Board Chairman and Director of Industrial Relations  
 Segment Metal Refining & Processing  
 Appointed from July 1, 2016 until June 30, 2019

## Supervisory Board

### **Prof. Dr. Fritz Vahrenholt, Hamburg**

Chairman of the Supervisory Board

Chairman of the Deutsche Wildtier Stiftung, Hamburg

- » Encavis AG (formerly Capital Stage AG), Hamburg<sup>1</sup>  
Member of the Supervisory Board

### **Stefan Schmidt, Lüdinghausen<sup>2</sup>**

Deputy Chairman of the Supervisory Board since June 12, 2019

Head of Services/Production Manager of Smelting Operations at Aurubis AG, Lünen

### **Deniz Filiz Acar, Hamburg, since May 3, 2019<sup>2</sup>**

Instructor for Commercial Trainees

Deputy Head of Training in the HR Training department, Hamburg

### **Andrea Bauer, Dortmund**

Currently no professional occupation

- » IFA Holding GmbH, Haldensleben, since July 1, 2019  
Member of the Advisory Council

### **Christian Ehrentraut, Lünen, since May 3, 2019<sup>2</sup>**

Deputy Shift Leader in Smelting Operations, KRS/MZO

Works Council member in Lünen, relieved of duty

Deputy Chairman of the General Works Council

### **Prof. Dr.-Ing. Heinz Jörg Fuhrmann, Salzgitter**

Chairman of the Executive Board of Salzgitter AG, Salzgitter<sup>1</sup>

- » Hüttenwerke Krupp Mannesmann GmbH, Duisburg<sup>3</sup>  
Chairman of the Supervisory Board
- » Ilsenburger Grobblech GmbH, Ilsenburg<sup>3</sup>  
Chairman of the Supervisory Board
- » Ilsenburger Grobblech GmbH, Ilsenburg, and Salzgitter Mannesmann Grobblech GmbH, Mülheim/Ruhr  
Chairman of the Joint Advisory Committee
- » KHS GmbH, Dortmund<sup>3</sup>  
Chairman of the Supervisory Board
- » Mannesmann Precision Tubes GmbH, Mülheim/Ruhr<sup>3</sup>  
Chairman of the Supervisory Board

- » Peiner Träger GmbH, Peine<sup>3</sup>  
Chairman of the Supervisory Board
- » Salzgitter Flachstahl GmbH, Salzgitter<sup>3</sup>  
Chairman of the Supervisory Board
- » Salzgitter Mannesmann Grobblech GmbH, Mülheim/Ruhr<sup>3</sup>  
Chairman of the Supervisory Board
- » Salzgitter Mannesmann Handel GmbH, Düsseldorf<sup>3</sup>  
Chairman of the Supervisory Board
- » Öffentliche Lebensversicherung Braunschweig, Braunschweig  
Member of the Supervisory Board
- » Öffentliche Sachversicherung Braunschweig, Braunschweig  
Member of the Supervisory Board
- » TÜV Nord AG, Hanover  
Member of the Supervisory Board

### **Prof. Dr. Karl Friedrich Jakob, Dinslaken**

Chairman of the Executive Board of RWTÜV e.V., Essen

- » Albert-Schweitzer-Einrichtungen für Behinderte gGmbH, Dinslaken  
Member of the Supervisory Board
- » RWTÜV GmbH, Essen  
Chairman of the Supervisory Board
- » TÜV Nord AG, Hanover  
Chairman of the Supervisory Board
- » Van Ameyde International BV, Rijswijk, Netherlands  
Member of the Board of Supervisory Directors
- » Universitätsklinikum Essen, Essen  
Member of the Supervisory Board
- » Knappschaft Kliniken GmbH, Bochum  
Chairman of the Supervisory Board

### **Jan Koltze, Hamburg<sup>2</sup>**

District Manager of the Mining, Chemical, and Energy Industrial Union Hamburg/Harburg

- » Beiersdorf AG, Hamburg, since April 17, 2019  
Member of the Supervisory Board
- » ESSO Deutschland GmbH, Hamburg, until April 30, 2019  
Member of the Supervisory Board
- » ExxonMobil Central Europe Holding GmbH, Hamburg  
Member of the Supervisory Board
- » Maxingvest AG, Hamburg, since April 26, 2019  
Member of the Supervisory Board

<sup>1</sup> Stock exchange-listed company.

<sup>2</sup> Elected by the employees.

<sup>3</sup> Group companies of Salzgitter AG.

**Dr. Stephan Krümmer, Hamburg**

Currently no professional occupation

**Dr. Elke Lossin, Buchholz in der Nordheide<sup>2</sup>**

Manager of the Analytical Laboratory at Aurubis AG, Hamburg

**Dr. Sandra Reich, Gräfelting**

Independent business consultant

- » Chancen eG, Berlin  
Member of the Supervisory Board

**Melf Singer, Schwarzenbek<sup>2</sup>**

Day shift foreman of the Acid Plant at Aurubis AG, Hamburg

**Former Supervisory Board members****Karl-Heinz Hamacher, Stolberg, until December 31, 2018<sup>2</sup>**

Employee of Aurubis Stolberg GmbH & Co. KG, Stolberg  
Chairman of the Works Council

**Renate Hold-Yilmaz, Hamburg, until April 19, 2019<sup>2</sup>**

Deputy Chairwoman of the Supervisory Board until April 19, 2019  
Commercial employee  
Previously Chairwoman of the Works Council of Aurubis AG, Hamburg

**Ralf Winterfeldt, Hamburg, from January 1, 2019 until April 30, 2019<sup>2</sup>**

Power electronics technician  
Former Chairman of the General Works Council of Aurubis AG  
Former Deputy Chairman of the Works Council of Aurubis AG, Hamburg

**Supervisory Board committees****Conciliation Committee in accordance with Section 27 (3) of the German Codetermination Act**

Prof. Dr. Fritz Vahrenholt (Chairman)  
Stefan Schmidt (Deputy Chairman) since June 12, 2019  
Andrea Bauer  
Christian Ehrentraut since June 12, 2019

**Former Supervisory Board members**

Renate Hold-Yilmaz (Deputy Chairwoman) until April 19, 2019  
Melf Singer until June 12, 2019

**Audit Committee**

Dr. Stephan Krümmer (Chairman)  
Prof. Dr.-Ing. Heinz Jörg Fuhrmann  
Jan Koltze  
Dr. Elke Lossin  
Dr. Sandra Reich  
Melf Singer since June 12, 2019

**Former Supervisory Board members**

Renate Hold-Yilmaz until April 19, 2019

**Personnel Committee**

Prof. Dr. Fritz Vahrenholt (Chairman)  
Deniz Filiz Acar since June 12, 2019  
Andrea Bauer since June 12, 2019  
Prof. Dr.-Ing. Heinz Jörg Fuhrmann  
Jan Koltze since June 12, 2019  
Stefan Schmidt

**Former Supervisory Board members**

Karl-Heinz Hamacher until December 31, 2018  
Renate Hold-Yilmaz until April 19, 2019  
Prof. Dr. Karl Friedrich Jakob until June 12, 2019  
Ralf Winterfeldt from January 30, 2019 until April 30, 2019

**Nomination Committee**

Prof. Dr. Fritz Vahrenholt (Chairman)  
Prof. Dr.-Ing. Heinz Jörg Fuhrmann  
Prof. Dr. Karl Friedrich Jakob  
Dr. Stephan Krümmer

**Technology Committee since June 12, 2019**

Prof. Dr. Karl Friedrich Jakob (Chairman)  
Christian Ehrentraut  
Dr. Stephan Krümmer  
Stefan Schmidt

<sup>2</sup> Elected by the employees.

# Report of the Supervisory Board



**PROF. DR.  
FRITZ  
VAHRENHOLT**  
Aurubis AG  
Supervisory Board  
Chairman

*Dear Shareholders,*

The Aurubis Group generated operating earnings before taxes (operating EBT [Q Glossary, page 195](#)) of € 192 million in fiscal year 2018/19. The accomplishments of the Executive Board, the management, and our employees across all departments deserve our acknowledgement once again.

The development of operating EBT was significantly impacted by planned and unplanned shutdowns at our smelter sites. Furthermore, a change in the definition of our operating result led to recognition of an ongoing impairment loss against copper inventories held within the Group. An impairment on the non-current assets of Segment Flat Rolled Products and expenses after halting our investment project Future Complex Metallurgy had additional negative effects. Higher energy costs and weaker demand for shapes and flat rolled products weighed on the earnings situation during the reporting year as well.

Positive impacts on the operating result in fiscal year 2018/19 included a good metal gain [Q Glossary, page 194](#) in Q4 and precious

metal sales that allowed us to take advantage of the high current precious metal prices. There were also higher sulfuric acid revenues due to substantially higher prices, despite lower production volumes owing to the shutdowns, as well as positive contributions from our efficiency improvement program and a receivable from Wieland-Werke AG from the prohibited sale of Segment Flat Rolled Products.

## COLLABORATION BETWEEN THE SUPERVISORY BOARD AND EXECUTIVE BOARD

The joint target of the Executive Board and Supervisory Board is to increase the enterprise value of Aurubis AG and its Group companies over the long term.

With respect to company management, the Supervisory Board and its committees also closely supervised, carefully monitored, and advised the Executive Board in 2018/19, and performed the functions incumbent upon it by law, the Articles of Association, and rules of procedure. The Supervisory Board is confident that the company was managed lawfully and appropriately. The Supervisory Board was included in all decisions of fundamental importance for the company, as explained in more detail below.

The Supervisory Board was continuously informed in detail about the Group's earnings and employment developments, the individual segments, and the company's financial position. The Executive Board provided comprehensive explanations for any deviations from planned business performance and discussed the corresponding measures with the Supervisory Board.

In a written monthly report, the Executive Board informed the Supervisory Board about the corporate strategy, the planning process, important business transactions in the company and the Group, the associated opportunities and risks, and issues of compliance [Q Glossary, page 194](#).

The Supervisory Board discussed all the transactions that were of importance for the Group in detail on the basis of the Executive Board's reports.

The Supervisory Board passed the Executive Board's proposed resolutions after thorough review and consultation.

The chairman of the Supervisory Board was also in contact with the Executive Board, notably the Executive Board chairman, outside of the meetings and communicated with them about current developments.

### CONSULTATIONS IN THE SUPERVISORY BOARD

There were four scheduled and three extraordinary Supervisory Board meetings in fiscal year 2018/19. Three resolutions were adopted by written consent in lieu of a meeting. The participation rate for the Supervisory Board members in Supervisory Board meetings was 92.4%. The Executive Board was absent for part of three Supervisory Board meetings and for two full meetings.

Karl-Heinz Hamacher was absent from one scheduled meeting, as well as a Personnel Committee meeting, due to illness; Andrea Bauer was excused from one Supervisory Board meeting. The following tables show the members' participation rate for Supervisory Board meetings and for the respective committees.

#### Individual disclosure for meeting participation

	Number of meetings attended	Percentage of meetings attended
<b>Supervisory Board members</b>	4 scheduled/ 3 extraordinary meetings	
Prof. Dr. Fritz Vahrenholt (Chairman)	7/7	100%
Renate Hold-Yilmaz (Deputy Chairwoman until April 19, 2019)	4/4	100%
Stefan Schmidt (Deputy Chairman since June 12, 2019)	7/7	100%
Deniz Filiz Acar (since May 3, 2019)	3/3	100%
Andrea Bauer	6/7	86%
Christian Ehrentraut (since May 3, 2019)	3/3	100%
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	7/7	100%
Karl-Heinz Hamacher (until December 31, 2018) <sup>1</sup>	0/1	0%
Prof. Dr. Karl Friedrich Jakob	7/7	100%
Jan Koltze	7/7	100%
Dr. Stephan Krümmner	7/7	100%
Dr. Elke Lossin	7/7	100%

<sup>1</sup> Absent due to illness.

	Number of meetings attended	Percentage of meetings attended
Dr. Sandra Reich	7/7	100%
Melf Singer	7/7	100%
Ralf Winterfeldt (January 1, 2019 to April 30, 2019)	3/3	100%

<b>Personnel Committee</b>	2 meetings	
Prof. Dr. Fritz Vahrenholt (Chairman)	2/2	100%
Deniz Filiz Acar (since June 12, 2019)	0/0	–
Andrea Bauer (since June 12, 2019)	0/0	–
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	2/2	100%
Karl-Heinz Hamacher (until December 31, 2018) <sup>1</sup>	0/1	0%
Renate Hold-Yilmaz (until April 19, 2019)	2/2	100%
Prof. Dr. Karl Friedrich Jakob (until June 12, 2019)	2/2	100%
Jan Koltze (since June 12, 2019)	0/0	–
Stefan Schmidt	2/2	100%
Ralf Winterfeldt (January 30, 2019 to April 30, 2019)	0/0	–

<b>Audit Committee</b>	4 meetings	
Dr. Stephan Krümmner (Chairman)	4/4	100%
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	4/4	100%
Renate Hold-Yilmaz (until April 19, 2019)	2/2	100%
Jan Koltze	4/4	100%
Dr. Elke Lossin	4/4	100%
Dr. Sandra Reich	4/4	100%
Melf Singer (since June 12, 2019)	1/1	100%

<b>Nomination Committee</b>	Did not meet during the fiscal year	
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<b>Technology Committee (since June 12, 2019)</b>	2 meetings	
Prof. Dr. Karl Friedrich Jakob (Chairman)	2/2	100%
Christian Ehrentraut	2/2	100%
Dr. Stephan Krümmner	2/2	100%
Stefan Schmidt	2/2	100%

<b>Conciliation Committee</b>	Did not meet during the fiscal year	
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<sup>1</sup> Absent due to illness.

The topics regularly covered in Supervisory Board meetings included the business performance, human resources in the Group, as well as the development of the results, the raw material markets, and the foreign exchange markets. The Supervisory Board also dealt with the financial situation and the status of capital expenditure. The Supervisory Board oversaw the acquisition of the Metallo Group and the FCM project until it was stopped. After the European Commission prohibited the sale of Segment Flat Rolled Products (FRP) to Wieland-Werke AG, strategic options for this segment were discussed in the Supervisory Board meetings. During the meetings, the chairmen of the Personnel, Audit, and Nomination Committees reported on their work, the suggestions made, and the results achieved.

In the meeting on December 10, 2018, the Supervisory Board determined the compensation for the Executive Board members for fiscal year 2017/18 contingent on the established objectives. The details are explained in the Compensation Report. In the same meeting, consultations focused on the approval of the consolidated financial statements and the separate financial statements for Aurubis AG for 2017/18, including the Corporate Governance Report, and the preparations for the 2019 Annual General Meeting, which included the election of Andrea Bauer to the Supervisory Board. The Supervisory Board addressed the status of the merger control proceedings and the European Commission's concerns. Furthermore, the Supervisory Board passed a resolution not to extend the contract of Executive Board Chairman Jürgen Schachler and to let it expire on June 30, 2019.

In the extraordinary meeting on January 30, 2019, the Supervisory Board unanimously passed a resolution to appoint Roland Harings as the new Executive Board chairman effective July 1, 2019.

In the meeting on February 27, 2019, the Executive Board reported on the current business and the FCM project. Moreover, the Supervisory Board dealt with site-specific topics. Following the European Commission's prohibition of the sale of Segment FRP to Wieland-Werke AG on February 6, 2019, the Executive Board explained different strategic options for the segment.

In the extraordinary meeting on April 16, 2019, the Supervisory Board passed a resolution to appoint Roland Harings deputy Executive Board chairman from May 20, 2019 to June 30, 2019.

In the extraordinary meeting on May 13, 2019, the Supervisory Board issued its approval for the acquisition of the Metallo Group from TowerBrook Capital Partners with an underlying enterprise value of € 380 million, as well as for the arrangement of a syndicated bridging loan.

In the meeting on June 12, 2019, the Supervisory Board focused on the status of the FCM project, whose total planned investment amount had been approximately € 320 million. The Supervisory Board reported that according to precise analyses, significantly higher investment costs were to be expected for the ongoing project. The project was therefore no longer as cost-effective as originally planned. After an extensive discussion, the Executive Board and Supervisory Board decided during the meeting to document the current status of the project as well as to end the overall project. Subsequently, the Supervisory Board unanimously decided to release Jürgen Schachler from the position of Executive Board chairman. Because the strategic considerations related to the project are still valid, however, they will contribute to the multi-metal strategy. The Supervisory Board also dealt with the status of new investments and passed a resolution on the appointment of a Technology Committee.

On August 1, 2019, the Supervisory Board approved a subproject to reduce emissions in the primary smelter (RWO) at the Hamburg site and an increase in the budget for the planned maintenance shutdown in Hamburg by written consent in lieu of a meeting.

In the meeting on September 11, 2019, the Executive Board reported on steps taken to document the FCM project. The Supervisory Board approved the budget and investment plans for 2019/20. The Executive Board presented the new division of business responsibilities and the partial organizational adjustment, which the Supervisory Board approved. The Supervisory Board established the individual targets for the Executive Board for fiscal year 2019/20 and the target values for the performance cash plan.

## COMMITTEES

The Supervisory Board set up a total of five committees to fulfill its duties in fiscal year 2018/19. These effectively supported the Supervisory Board's work in the meetings. The committees prepared the Supervisory Board's resolutions and topics to be considered in the meetings. The Conciliation Committee formed in accordance with Section 27 (3) of the German Codetermination Act (MitbestG) did not meet during the reporting year.

General statements on the composition and working procedures of the Supervisory Board and its committees can also be found in this year's declaration on corporate governance.

### WORK WITHIN THE PERSONNEL COMMITTEE

The Personnel Committee met twice during the reporting period. It addressed the search for a successor for the position of Executive Board chairman. In the meeting on January 24, 2019, the Personnel Committee passed a resolution to recommend the appointment of Roland Harings as Executive Board chairman.

### WORK ON THE TECHNOLOGY COMMITTEE

The Technology Committee met twice during the reporting period. In addition to overseeing various optimization and development projects, the committee was primarily involved with the project to reduce fugitive emissions in the primary smelter (RWO) at the Hamburg site.

### WORK ON THE AUDIT COMMITTEE

The Audit Committee met four times during the reporting period. In all of its meetings, the Audit Committee reviewed the quarterly reports, the separate financial statements, and the consolidated financial statements for the past fiscal year and discussed them with the Executive Board. The Audit Committee also addressed the accounting audit; the monitoring of the accounting process; the effectiveness of the internal control system, risk management system, and internal auditing system; and compliance in the Group.

The Audit Committee addressed the tendering process for the annual and Group financial statements for fiscal year 2018/19 because PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, audited these financial statements for the tenth consecutive time in fiscal year 2017/18 – the longest period permitted without a tendering process.

The Audit Committee recommended the auditing firm Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, to the Supervisory Board as auditor for fiscal year 2018/19. The Audit Committee authorized the Executive Board to also commission the auditors with additional non-audit services to a limited extent starting October 1, 2018.

The Audit Committee chairman, Dr. Stephan Krümmer, has special expertise and experience in the application of accounting principles and internal control procedures. He is independent and not a former member of the company's Executive Board.

Apart from the appointment of the auditors and the agreement of the fee with the auditors, the committee established focal areas of the annual 2018/19 audit, specifically:

- » A review of the balance sheet presentation of the discontinued operations of Segment Flat Rolled Products
- » A financial depiction of the FCM project broken down by focus areas and amounts
- » The effect of new IFRS standards on accounting

The last focal area is also an audit focus of the German Financial Reporting Enforcement Panel for 2019.

The Audit Committee furthermore monitored the independence of the auditors, obtained the declaration of their independence recommended by the German Corporate Governance Code, and addressed the additional services performed by the auditors. The auditors were obligated to inform the chairman of the Audit Committee without delay about any possible grounds for exclusion or lack of impartiality arising during the audit.

The auditors' representatives attended two Audit Committee meetings and reported on the audit of the consolidated and separate annual financial statements.

## CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

The regular efficiency review was performed by the Supervisory Board at its meeting on September 11, 2019. Following a detailed discussion of an extensive catalogue of questions answered in advance, the Supervisory Board declared its efficiency.

The Executive Board reports on corporate governance at Aurubis AG, also on behalf of the Supervisory Board, in accordance with Section 3.10 of the February 7, 2017 version of the German Corporate Governance Code, in the declaration and report on corporate governance, which are both part of the Management Report.

On November 4, 2019, the Executive Board and Supervisory Board of Aurubis AG issued the updated Declaration of Conformity to the German Corporate Governance Code (DCGK) in accordance with Section 161 of the German Stock Corporation Act (AktG) and made it permanently accessible to the public at [www.aurubis.com](http://www.aurubis.com). Aurubis AG complies with the Code recommendations with two exceptions. Additional information can be found in the Declaration of Conformity.

## CONFLICTS OF INTEREST

There were no conflicts of interest among Executive Board or Supervisory Board members that should have been disclosed to the Supervisory Board or announced at the Annual General Meeting. There were no significant transactions with an Executive Board member or parties related to an Executive Board member.

## AUDIT OF THE SEPARATE FINANCIAL STATEMENTS OF AURUBIS AG AND THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The company's financial statements prepared by the Executive Board in accordance with the German Commercial Code (HGB), the consolidated financial statements prepared in accordance with IFRS (International Financial Reporting Standards) for the fiscal year from October 1, 2018 to September 30, 2019, and the Combined Management Report for the company and the Group have been audited by the auditing firm Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, for the first time in

accordance with the resolution passed at the company's Annual General Meeting on February 28, 2019 and the subsequent appointment of Deloitte GmbH Wirtschaftsprüfungsgesellschaft as auditors by the Supervisory Board. Annika Deutsch oversaw the audit of the Group and the company for the first time accordingly. The auditors have issued an unqualified auditors' report. Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, has been the appointed auditor since fiscal year 2018/19 and audited Aurubis for the first time.

The meeting of the Supervisory Board to approve the financial statements was held on December 10, 2019. All members of the Supervisory Board received copies of the financial statements and audit reports, as well as the Executive Board's recommendation on the appropriation of the net earnings and all other documents in good time before this meeting. These documents were discussed in detail at the Supervisory Board meeting to approve the financial statements. The auditors participated in this meeting, reported in detail on how the audit had been performed and what their main audit findings were, and were available to provide the Supervisory Board with further information, discuss the documents, and make additional comments.

The Supervisory Board concurred with the results of the audit. This agreement was reached following a detailed discussion on the auditors' findings, and thorough consideration of the auditors' report and of the Executive Board's recommendation regarding the appropriation of the net income. It was also based on the Supervisory Board's own review of the separate financial statements of Aurubis AG, the consolidated financial statements, and the Combined Management Report for the company and the Group. The Supervisory Board concluded that no objections needed to be raised and, in accordance with the recommendations of the Audit Committee, approved the separate financial statements of Aurubis AG, which were thus adopted, as well as the consolidated financial statements and the Combined Management Report at the meeting on the financial statements. The Supervisory Board concurred with the Executive Board's recommendation on the utilization of the unappropriated earnings.

### AUDIT OF THE SEPARATE NON-FINANCIAL REPORT

On behalf of the Supervisory Board, KPMG AG conducted a substantive audit of the separate Non-Financial Report for Aurubis AG.

On the basis of their audit, the auditors did not raise any objections to the reporting and the satisfaction of the relevant statutory requirements, and provided an unqualified audit opinion with limited assurance that the separate Non-Financial Report is in accordance with Sections 315b and 315c in connection with Sections 289b to 289e of the German Commercial Code (HGB).

### CHANGES IN THE SUPERVISORY BOARD AND EXECUTIVE BOARD

Dr. Thomas Bünger was appointed chief operations officer effective October 1, 2018. The Supervisory Board passed a resolution on June 12, 2019 to release Mr. Jürgen Schachler from his duties with immediate effect. He left the company on June 30, 2019 at the end of his appointment. Roland Harings was appointed deputy Executive Board chairman as of May 20, 2019. Roland Harings assumed the position of Executive Board chairman on July 1, 2019 as planned.

Renate Hold-Yilmaz, Karl-Heinz Hamacher, and Ralf Winterfeldt resigned from the Supervisory Board in fiscal year 2018/19. Dr. Ernst J. Wortberg, Supervisory Board member, long-standing Supervisory Board chairman, and Audit Committee chairman, had resigned at the close of the Annual General Meeting on March 1, 2018.

We would like to thank Dr. Ernst J. Wortberg and all of the members who left the Supervisory Board and Executive Board during the past fiscal year for their many years of successful work for the benefit of the Aurubis Group.

Andrea Bauer was confirmed as Supervisory Board member by the participants of the Annual General Meeting on February 28, 2019, after she had been court-appointed as Supervisory Board member by the Hamburg District Court effective June 22, 2018. At the request of the Executive Board, the District Court of Hamburg appointed Deniz Filiz Acar and Christian Ehrentraut as new Supervisory Board members effective May 3, 2019.

Hamburg, December 2019

The Supervisory Board



Prof. Dr. Fritz Vahrenholt  
Chairman

# Corporate Governance

## Report and declaration on corporate governance (part of the Combined Management Report)

The principles of responsible and sustainable corporate governance determine the actions of the management and controlling bodies of Aurubis AG. In this declaration, the Executive Board reports – also for the Supervisory Board – on corporate governance pursuant to Section 3.10 of the February 7, 2017 version of the German Corporate Governance Code, as well as Sections 289f and 315d of the German Commercial Code (HGB).

### DECLARATION OF CONFORMITY AND REPORTING ON CORPORATE GOVERNANCE

In accordance with Section 161 of the German Stock Corporation Act (AktG<sup>2</sup>), the Executive Board and Supervisory Board of a company listed in Germany must issue an annual declaration stating that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette (Bundesanzeiger) were/are being complied with, or list the recommendations that were/are not being applied and explain why.

The Executive Board and the Supervisory Board dealt with the topic of corporate governance on several occasions in fiscal year 2018/19 and, on November 4, 2019, jointly issued the annual Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act (AktG). The declaration is permanently accessible to the public at [www.aurubis.com/en/about-aurubis/distribution-page-corporate-governance](http://www.aurubis.com/en/about-aurubis/distribution-page-corporate-governance). The Declarations of Conformity from the past five years and the details regarding fulfillment of the Code's requirements are also permanently accessible there.

### TEXT OF THE DECLARATION OF CONFORMITY

"In accordance with Section 161 of the German Stock Corporation Act, the Executive Board and Supervisory Board of Aurubis AG declare that, since the issue of the last Declaration of Conformity dated November 5, 2018, the recommendations of the Government Commission on the German Corporate Governance Code in the version dated February 7, 2017 have been applied and will be applied with the following exceptions for the reasons given:

- » Section 4.2.3 (2) sentence 3 and (4) (Executive Board remuneration)  
The compensation structure for the Executive Board includes variable components whose calculation is based on several years and is essentially forward-looking, as well as a cap on severance pay. However, this did not apply to the contract of Mr. Schachler, whose appointment ended on June 30, 2019, as the status quo was preserved for his contract in this respect.
- » Section 5.4.1 (2) (term limit for Supervisory Board membership)  
When proposing candidates at the Annual General Meeting, the Supervisory Board has focused and will continue to focus on the professional and personal qualifications of the candidates, taking the skills profile into consideration and within the framework of the applicable legal regulations, in particular with respect to the German Gender Equality Act. It is naturally very relevant that, within the framework of the company-specific situation, the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members established by the Supervisory Board, the age limit also established by the Supervisory Board, and diversity are taken into account. In doing so, it is not necessary to establish a regulatory limit to Supervisory Board members' term of office.

Hamburg, November 4, 2019

For the Executive Board



Roland Harings  
Chairman



Rainer Verhoeven  
Member

For the Supervisory Board



Prof. Dr. Fritz Vahrenholt  
Chairman"

<sup>1</sup> Sections of the HGB referenced in the following refer to the version applicable as at September 30, 2019.

<sup>2</sup> Sections of the AktG referenced in the following refer to the version applicable as at September 30, 2019.

## DISCLOSURES ON RELEVANT CORPORATE GOVERNANCE PRACTICES

For Aurubis AG, the applicable legal regulations, especially stock market law, codetermination law, capital market law, the Articles of Association, the German Corporate Governance Code, and the rules of procedure of the Supervisory Board and the Executive Board provide the basis for the structure of management and controlling in the company. Above and beyond its legal obligations, Aurubis has defined values and derived a Code of Conduct from them that establishes a framework for behavior and decisions and provides orientation for corporate activities. The values and the Code of Conduct are published on the company's homepage. Each employee is briefed on these Group-wide values and the Code of Conduct, as well as on the corporate guidelines stemming from them. Employees whose roles require them to deal more closely with certain legal regulations (e.g., antitrust law, anti-corruption, environmental protection, occupational safety) will be provided with corresponding mandatory training.

## LEADERSHIP STRUCTURE

Aurubis AG is a company subject to German law, which is also the basis of the German Corporate Governance Code. A basic principle of German stock corporation law is the dual management system with the two bodies of the Executive Board and Supervisory Board, which are strictly separated as regards personnel between the Executive Board as the board of management and the Supervisory Board as the monitoring organ and each assigned independent responsibilities. The Executive Board and Supervisory Board of Aurubis AG work together closely and in a spirit of trust in the governance and supervision of the company for the benefit of the company.

## WORKING PROCEDURES, COMPOSITION, AND OBJECTIVES OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

### THE EXECUTIVE BOARD WORKING PROCEDURES

The Executive Board is responsible for running the company without instructions from third parties in accordance with the law, the Articles of Association, and the Executive Board's rules of procedure, taking into account the resolutions passed at the Annual General Meeting. The Executive Board represents the company in dealings with third parties.

As the management body, the Executive Board runs the company's business in the interests of the company and with the aim of achieving long-term value added, while taking the needs of all stakeholders into account. The principle of overall responsibility applies, meaning that the members of the Executive Board together bear responsibility for the management of the entire company. They work together in a spirit of cooperation and inform one another continuously about important measures and occurrences in their areas of responsibility. The overall responsibility of all Executive Board members notwithstanding, the individual members of the Executive Board oversee the areas of responsibility assigned to them in the Executive Board resolutions on their own responsibility. The principles of the cooperation between Aurubis AG's Executive Board members are stated in the rules of procedure for the Executive Board issued by the Supervisory Board. These regulate, above all, the allocation of responsibilities between the individual Executive Board members, matters reserved for the full Executive Board, the passing of resolutions, the required majority for resolutions, and the rights and obligations of the chief executive officer.

Certain Executive Board decisions of particular importance require the approval of the Supervisory Board. They are stipulated in a catalogue. For example, the Supervisory Board makes decisions about investments in other companies if the measure is of great significance for the Group, as well as about substantial capital expenditure measures.

The Executive Board keeps the Supervisory Board informed promptly and comprehensively, in written and verbal reports, as well as in the scheduled meetings, about the strategy, planning, business development, important business transactions, and the Group's risk situation, including risk management and compliance, i.e., the measures to comply with legal requirements and the internal corporate guidelines. The Executive Board discusses in detail and provides reasons for deviations in the business performance from previously prepared budgets and targets.

### COMPOSITION AND OBJECTIVES (DIVERSITY CONCEPT)

The Executive Board of Aurubis AG initially consisted of Chairman Mr. Jürgen Schachler, Mr. Rainer Verhoeven, and Dr. Thomas Büniger, who was appointed chief operations officer as of October 1, 2018. Mr. Roland Harings was appointed deputy Executive Board chairman as of May 20, 2019.

The Supervisory Board passed a resolution on June 12, 2019 to release Mr. Jürgen Schachler, whose contract was set to expire on June 30, 2019, from his duties with immediate effect. Mr. Roland Harings took office as Executive Board chairman of Aurubis AG effective July 1, 2019.

When it comes to selecting the members of the Executive Board, the Supervisory Board focuses first and foremost on the members' specialist knowledge and personal qualities. On the basis of their knowledge, skills, and professional experience, the Executive Board members must be able to fulfill their duties in a company operating within the copper/metal sector and to safeguard and promote the Aurubis Group's reputation in the public sphere.

Furthermore, the Supervisory Board adopted a diversity concept for the Executive Board on September 11, 2018. According to this concept, the Supervisory Board must, by taking into account aspects such as age, gender, education, and professional background, strive to put together an Executive Board that boasts a broad spectrum of skills, experience, and educational and professional backgrounds, as well as the requisite personal and specialist skills. As an additional criterion of the diversity concept, the Executive Board as a whole should exhibit a balanced age structure and thus include younger individuals who have experience with newer technical knowledge and leadership methods, as well as older individuals who have more professional, life, and management experience. With the same level of personal and professional suitability, both women and men should be represented in the Executive Board if possible. Pursuant to Section 111 (5) of the German Stock Corporation Act (AktG), the Supervisory Board passed a minimum target quota of 25% for the proportion of women in the Executive Board by June 30, 2022.

With this diversity concept for the composition of the Executive Board, the Supervisory Board pursues the objective of achieving the highest level of diversity with respect to age, gender, education, and professional background. In this way, a variety of perspectives should be included in the management of the company, in addition to the high individual suitability of each of the members.

The Supervisory Board decides on the personality that should fill each concrete Executive Board position in the interest of the company, taking all of the circumstances of the individual case into account.

#### STATUS OF TARGET IMPLEMENTATION

The Supervisory Board dealt intensively with the topic of diversity in the Executive Board in general and in the case of personnel changes in the Executive Board. The diversity concept was implemented as far as possible in the process. For example, the composition of the Executive Board reflects different age groups, taking professional knowledge and personal suitability into consideration. The Executive Board members possess a broad spectrum of skills, experience, and educational and professional backgrounds, with some members holding business degrees and others, qualifications of a more technical nature.

However, it has not been possible so far to achieve the target for the proportion of female members in the Executive Board. There were no female applicants for the position of chief executive officer. When filling the position, the candidate who in the Supervisory Board's opinion was best qualified for the position was ultimately chosen.

The Supervisory Board's efforts to ensure that women are adequately represented in the Executive Board are ongoing.

In accordance with the legal stipulations of Section 76 (4) of the German Stock Corporation Act (AktG), there are also targets for the proportion of female employees in the first and second management levels under the Executive Board. With a resolution dated June 12, 2017, the Executive Board set a target of 20% female employees for the first management level and a target of 25% for the second management level. These targets should be achieved by June 30, 2022. Further increasing the number of women in management positions independently of legal regulations is an important goal for the Group.

As at the reporting date (September 30, 2019), the proportion of women was 24% (previous year: about 12%) for the first management level below the Executive Board and 19% (previous year: about 20%) for the second management level below the Executive Board. The proportion of women in the first management level therefore decreased slightly as at the reporting date, while the percentage in the second level was nearly the same.

The Executive Board continues to strive for a suitable consideration of women in the first and second management levels and maintains its targets.

The Executive Board did not form any committees in fiscal year 2018/19.

### THE SUPERVISORY BOARD WORKING PROCEDURES

The Supervisory Board advises and monitors the Executive Board in the management of the company. It appoints and rescinds the contracts of Executive Board members, decides on the compensation system for Executive Board members, and specifies their respective total compensation. In the process, the Supervisory Board takes into account the relationship between Executive Board compensation and the compensation of the higher management level and the relevant workforce, as well as the market position of the company. It also defines the target pension level for Executive Board members. The Personnel Committee submits corresponding suggestions to the Supervisory Board.

The Supervisory Board is involved in strategy and planning work, and in all aspects of major significance for the company. The Supervisory Board has defined rights of veto in favor of the Supervisory Board for transactions of fundamental importance, particularly those that would significantly change the company's net assets, financial position, and results of operations. In the case of important events, an extraordinary Supervisory Board meeting is convened if deemed necessary. The chairman of the Supervisory Board coordinates the work within the Supervisory Board, chairs its meetings, and attends to the affairs of the Supervisory Board externally. The Supervisory Board meets without the Executive Board as necessary.

The Supervisory Board has defined rules of procedure for its work. Shareholder and employee representatives generally meet separately to prepare for the meetings.

### COMPOSITION AND OBJECTIVES (DIVERSITY CONCEPT AND SKILLS PROFILE)

The Supervisory Board of Aurubis AG, which exercises the codetermination principle, has twelve members in accordance with the Articles of Association. Six of these members are elected by the shareholders and six by the employees in accordance with the German Codetermination Act. The periods of office are identical. In accordance with the recommendations of the German Corporate Governance Code, the shareholders' representatives were elected individually to the Supervisory Board in the last election at the Annual General Meeting on March 1, 2018 and in the follow-up election on February 28, 2019. The Supervisory Board's term of office amounts to five years; the current term of office ends at the close of the Annual General Meeting during which the resolution regarding the approval of the Supervisory Board members is passed for fiscal year 2021/22.

The Supervisory Board has designated concrete targets for its composition and compiled a skills profile for the entire Supervisory Board in alignment with the recommendations of the February 7, 2017 version of the German Corporate Governance Code. The targets and the skills profile have been made permanently accessible at [www.aurubis.com/en/about-aurubis/company/supervisory-board](http://www.aurubis.com/en/about-aurubis/company/supervisory-board).

Furthermore, the Supervisory Board established a diversity concept for its composition on September 11, 2018. It considers aspects such as age, gender, education, and professional background. In this way, the Supervisory Board as a whole should exhibit a balanced age structure and thus include both younger individuals and older individuals with professional and life experience.

During Supervisory Board elections, care must be taken to ensure not only that Supervisory Board members possess the requisite personal and professional skills, but also that the Board comprises at least 30% women and 30% men, in accordance with the legal requirements.

The diversity concept stipulates that the Supervisory Board be composed of personalities that are suitable for office based not only on their personal and specialist skills but also on their educational and professional backgrounds (the Supervisory Board should ideally comprise a broad range of educational and professional backgrounds).

With these targets for its composition, the Supervisory Board pursues the objective of achieving the highest possible level of diversity with respect to age, gender, education, and professional background. This should enable diverse perspectives, knowledge, and experience to be included in the work of Aurubis AG's Supervisory Board.

The Supervisory Board strives to implement its diversity concept by considering the corresponding diversity aspects when making recommendations for the election of Supervisory Board members representing the shareholders. The Aurubis AG shareholders at the Annual General Meeting are responsible for the final decision on the composition of the Supervisory Board.

#### STATUS OF TARGET IMPLEMENTATION

The Supervisory Board and the Nomination Committee took the criteria of the skills profile into consideration in the recommendations regarding the Supervisory Board elections at the Annual General Meeting in 2018 and 2019.

The diversity concept was implemented to the extent possible. In the Supervisory Board's view, the side representing the shareholders demonstrates a balanced age structure that includes younger and older individuals. The Supervisory Board is composed of at least 30 % women and men, respectively, in accordance with the legal requirements. The Supervisory Board members have different educational and professional backgrounds. Additional information regarding the Supervisory Board members' personal and specialist skills is available in their résumés, which are permanently accessible at [www.aurubis.com/en/about-aurubis/company/supervisory-board](http://www.aurubis.com/en/about-aurubis/company/supervisory-board).

In the Supervisory Board's estimate, Prof. Dr. Karl Friedrich Jakob, Dr. Stephan Krümmer, Dr. Sandra Reich, Ms. Andrea Bauer, and Prof. Dr. Fritz Vahrenholt were seen as independent shareholder members during fiscal year 2018/19 pursuant to Section 5.4.2 of the February 7, 2017 version of the German Corporate Governance Code.

Taking into account the ownership structure, the Supervisory Board, with its five independent shareholder members, has a sufficient number of independent members who have no personal or professional relationships with the company, with its Supervisory Board or Executive Board, with a controlling shareholder, or with someone connected with an associated company that could be cause for a significant conflict of interest that is not merely temporary.

#### SUPERVISORY BOARD COMMITTEES

The Supervisory Board has formed five committees for its members to prepare and complement its work: the Personnel Committee, the Audit Committee, the Nomination Committee, the Technology Committee (since June 12, 2019), and the Conciliation Committee. Some of the committees' tasks, as well as their composition and work, are specified in the rules of procedure of the Supervisory Board. The committees' compositions during the fiscal year are outlined in this Annual Report. The mandates of the Supervisory Board members in other legally formed Supervisory Boards and comparable German and foreign controlling bodies are also specified in this Annual Report.

#### Personnel Committee

The six-member Personnel Committee has equal numbers of shareholder and employee representatives. It considers the structure and level of compensation paid to all members of the Executive Board, prepares Executive Board contracts, and selects qualified candidates for Executive Board positions when preparing necessary Supervisory Board resolutions. The chairman of the Personnel Committee is the chairman of the Supervisory Board.

### **Audit Committee**

The six-member Audit Committee with equal representation has the main task of monitoring the accounting process and overseeing the effectiveness of the internal control system, the risk management system, the internal auditing system, the annual audit, and compliance.

The Audit Committee submits a preference and a justified recommendation for the choice of an auditor to the Supervisory Board. Where the auditing mandate is subject to an invitation to tender, at least two candidates are put forward. The Audit Committee monitors the independence of the auditors and furthermore concerns itself with the additional services performed by the auditors, the appointment of the auditors, the determination of the audit's focus areas, and the agreement of the fee.

The Audit Committee chairman during the fiscal year, Dr. Stephan Krümmer, has special expertise and experience in the application of accounting principles and internal control procedures, which he has gathered over the course of his career. He is not a former member of the company's Executive Board whose appointment ended less than two years ago.

### **Nomination Committee**

The Nomination Committee has only shareholder representatives in accordance with the German Corporate Governance Code. The Nomination Committee has the duty of suggesting suitable candidates for the Supervisory Board to propose for election to the Supervisory Board at the Annual General Meeting.

### **Conciliation Committee**

The Conciliation Committee did not meet during the reporting year.

### **Technology Committee**

The Supervisory Board formed a Technology Committee effective June 12, 2019. The four-member committee has equal numbers of shareholder and employee representatives. The Technology Committee's duty, among other things, is to strategically support and monitor the Executive Board in the implementation of significant capital expenditure projects. Prof. Dr. Karl Friedrich Jakob chairs the committee.

## **SHAREHOLDERS AND THE ANNUAL GENERAL MEETING**

The shareholders of Aurubis AG exercise their codetermination and supervisory rights at the Annual General Meeting, which occurs at least once a year. Resolutions are passed at the Annual General Meeting on all matters defined by law that are binding for all shareholders and the company. Each share grants the holder one vote in the Annual General Meeting voting processes. There are no different categories of shares.

The Annual General Meeting elects the members of the Supervisory Board, who are chosen by the shareholders without obligation to a particular nomination, and passes a resolution on the approval of the members of the Executive Board and Supervisory Board. It decides on the utilization of the unappropriated earnings and on capital measures and gives approval to company agreements. Furthermore, it makes decisions about the compensation of the Supervisory Board and amendments to the company's Articles of Association. In special cases, the German Stock Corporation Act (AktG) stipulates that an extraordinary General Meeting can be convened and/or the German Corporate Governance Code recommends that such a meeting be convened.

Each shareholder who has registered in good time and can duly provide proof of their entitlement to participate in the Annual General Meeting and exercise their voting rights is entitled to attend the Annual General Meeting. Shareholders who cannot or do not wish to attend the Annual General Meeting in person may authorize a bank, a shareholders' association, the proxies designated by Aurubis AG (who are under obligation to follow the shareholders' instructions), or another person of their choice to exercise their voting rights. The shareholders also have the option of submitting their votes online before the Annual General Meeting. Aurubis AG will give further details in the invitation to the Annual General Meeting.

The invitation to the Annual General Meeting and the relevant reports and information for the resolutions are published in accordance with German stock corporation and capital market law and made available in English and German on the Aurubis AG website.

## CONTROLLING/RISK MANAGEMENT AND COMPLIANCE

The company's responsible handling of risks is also part of good corporate governance. As part of our value-oriented Group management, adequate risk management ensures that risks are identified early on and risk positions are minimized. Risk management reports regularly to the Executive Board and the Supervisory Board's Audit Committee. Details of risk management at Aurubis AG are given in the Risk Report. This includes the report on the accounting-related internal control and risk management system required pursuant to Section 289 (4) and Section 315 (4) of the German Commercial Code (HGB).

The Executive Board ensures adherence to legal requirements and the internal company guidelines, and works toward compliance across all Group companies. The compliance management system was expanded further again during fiscal year 2018/19 so as to comply with the requirements resulting from the legal stipulations and the Code of Conduct.

Compliance is ensured in the company by means of prevention, controls, and sanctions. Preventive measures include internal regulations, guidance, and particularly the training of employees. In the event that violations of laws or internal regulations are detected, labor, civil, or criminal penalties are imposed.

The company's chief compliance officer is the central point of contact for all compliance-relevant issues. He reports regularly to the Executive Board and the Supervisory Board's Audit Committee. At the individual Group sites, local compliance officers are available as a point of contact for employees.

Employees are also given the opportunity to provide anonymous tips regarding legal violations in the company by means of a whistle-blower hotline operated by an external service provider. This option can also be used by third parties.

## DIRECTORS' DEALINGS

Pursuant to Article 19 of the Market Abuse Regulation (EU 596/2014), the members of Aurubis AG's Executive and Supervisory Boards, certain employees in management positions, and people closely associated with them are required to disclose acquisitions and sales of company shares and related financial instruments.

This does not apply if the total transactions per person do not exceed € 5,000 per calendar year.

One member of the Supervisory Board informed the company that he had acquired or sold no-par-value shares in the company in the period from October 1, 2018 to September 30, 2019:

» Prof. Dr. Fritz Vahrenholt purchased 2,500 no-par-value shares

One member of the Executive Board informed the company that he had acquired or sold no-par-value shares in the company in the period from October 1, 2018 to September 30, 2019:

» Mr. Roland Harings purchased 10,000 no-par-value shares

## FINANCIAL REPORTING AND ANNUAL AUDIT

Aurubis AG prepares its consolidated financial statements and Combined Management Report, as well as the consolidated interim reports, in accordance with International Financial Reporting Standards (IFRS) as they should be applied in the European Union. The financial statements of Aurubis AG are issued in compliance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The financial statements of Aurubis AG and the consolidated financial statements, as well as the Combined Management Report, are compiled by the Executive Board and examined by the auditors and the Supervisory Board. Aurubis AG released a Combined Management Report for Aurubis AG and the Aurubis Group for fiscal year 2018/19. The interim report and the quarterly reports are discussed by the Audit Committee and the Executive Board before publication.

The company's auditor was elected at the Annual General Meeting in compliance with the provisions of the German Stock Corporation Act. Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, was appointed auditor of the 2018/19 consolidated financial statements and the Combined Management Report, as well as the 2018/19 HGB financial statements of Aurubis AG. Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, has been the appointed auditor since fiscal year 2018/19. The fiscal year 2018/19 audit therefore marked the first time it had audited Aurubis.

Accordingly, auditor Annika Deutsch oversaw the audit of the Group and the company for the first time.

Before submitting the proposal for the election of the auditors, the Supervisory Board obtained the declaration from Deloitte GmbH Wirtschaftsprüfungsgesellschaft on their independence as specified by the German Corporate Governance Code. The audits were performed in accordance with German auditing regulations, taking into account the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW); in addition, the International Standards on Auditing were also observed. The audits also covered risk management and compliance with reporting obligations on corporate governance in accordance with Section 161 of the German Stock Corporation Act (AktG).

Furthermore, it was also agreed with the auditors that they would inform the Supervisory Board without delay about any possible grounds for exclusion or lack of impartiality and about the main findings and incidents arising during the audit.

Hamburg, December 2019

For the Executive Board



Roland Harings  
Chairman



Rainer Verhoeven  
Member

## 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 fundamentally revised the compensation system, working together with an independent external compensation expert. The new compensation system complies with the requirements of the German Stock Corporation Act (AktG) and the February 7, 2017 version of the German Corporate Governance Code, particularly Section 4.2.3 of the German Corporate Governance Code. The participants of the Annual General Meeting approved the new compensation system pursuant to Section 120 (4) of the German Stock Corporation Act (AktG<sup>1</sup>) on March 1, 2018.

Due to the responses of some investors, the Supervisory Board decided to change the composition of the annual bonus. The Supervisory Board passed a resolution on this adjustment on September 11, 2018.

Specifically, as of October 1, 2018, the annual bonus is calculated with a higher weighting of 60% (previously 50%) according to the target set for the fiscal year for the operating EBT components, and a lower weighting of 40% (previously 50%) according to the assessment of the Executive Board member's individual performance for the respective fiscal year.

<sup>1</sup> Sections of the AktG referenced in the following refer to the version applicable as at September 30, 2019.

In light of the fundamental revision of the German Corporate Governance Code and the German draft bill on transposing the second EU Shareholder Rights Directive (EU 2017/828, SRD II), the Supervisory Board is currently refraining from further revision of the compensation system. Both the draft of the German Corporate Governance Code and the German draft bill on transposing SRD II include extensive regulations on compensation for the advisory bodies of exchange-listed companies. As at the balance sheet date of September 30, 2019, neither the German Corporate Governance Code in the version passed on May 9, 2019 nor the SRD II had gone into effect.

The new compensation system applies to Mr. Roland Harings, appointed deputy Executive Board chairman as of May 20, 2019 (Executive Board chairman since July 1, 2019), as well as Chief Financial Officer Mr. Rainer Verhoeven and Chief Operations Officer Dr. Thomas Bünger, the latter of whom was appointed on October 1, 2018. The previous compensation system applied to former Executive Board Chairman Jürgen Schachler (appointed until June 30, 2019).

#### PREVIOUS COMPENSATION SYSTEM FOR THE EXECUTIVE BOARD

The compensation is defined in the employment contracts and consists of a series of coordinated compensation components.

Specifically, these components are fixed compensation, variable compensation, fringe benefits, and pension plans.

##### Fixed components

The fixed portion consists of fixed compensation, fringe benefits, and pension plans. The annual fixed compensation amounted to € 600,000 for former Executive Board Chairman Mr. Schachler and was paid out monthly in equal installments until his departure.

Additionally, Mr. Schachler received 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.

Mr. Schachler was granted a defined contribution pension plan from the company. An annual contribution in the amount of € 140,000 was paid to an insurance company.

Mr. Schachler additionally received a defined contribution company pension plan. The pension plan is designed as a capital commitment. At the end of every fiscal year, € 120,000 was paid into liability insurances for the former chief executive officer.

##### Variable components

The old system of variable compensation includes two components, which are paid out annually. The first component (Component I) is dependent on achieving an annual target related to adjusted average consolidated EBT (earnings before taxes) for the Group for three years, and in each case relating to the current fiscal year and to the two fiscal years preceding it. The target is EBT derived from ROCE (return on capital employed) [Glossary, page 195](#) of 15%. If the EBT is less than 40% of the target, Component I is not paid. The target bonus from Component I can reach a maximum of 100% (cap). The maximum amount that can be reached from these components in the case of 100% target achievement is € 750,000 for the former chief executive officer.

Component II stipulates an annual assessment of the joint (Component II a) and individual (Component II b) performance of the Executive Board by the Supervisory Board. Both components are based on a qualitative, criteria-supported assessment of sustainable company management. The target bonus from Component II can reach a maximum of 100 % (cap). A payout of a minimum of 50 % of the target bonus always occurs unless this is unreasonable within the meaning of Section 87 (2) of the German Stock Corporation Act (AktG). The maximum amount that can be reached from each of the Components II a and II b is € 250,000 for the former chief executive officer.

The target bonus for Component I amounts to 60 % of the total variable compensation; the target bonus for Component II, 40 %.

#### Premature termination

Mr. Schachler's employment contract did not contain change of control clauses.

#### EXPLANATION OF THE NEW COMPENSATION SYSTEM FOR THE EXECUTIVE BOARD

The new compensation system also consists of fixed and variable components. The compensation structure includes maximum limits, both overall and with regard to its variable compensation components. The new compensation system applies to Executive Board Chairman Mr. Roland Harings, Chief Financial Officer Mr. Verhoeven, and Chief Operations Officer Dr. Thomas Bünger, the latter of whom was appointed on October 1, 2018.

Pursuant to the employment contract, Dr. Bünger's total compensation will be adjusted to match the level of Mr. Verhoeven's as of April 1, 2020.

The variable compensation components contain annual and multiannual components. 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 amounts to € 600,000 for Mr. Harings, € 420,000 for Mr. Verhoeven, and € 340,000 for Dr. Bünger and is 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.

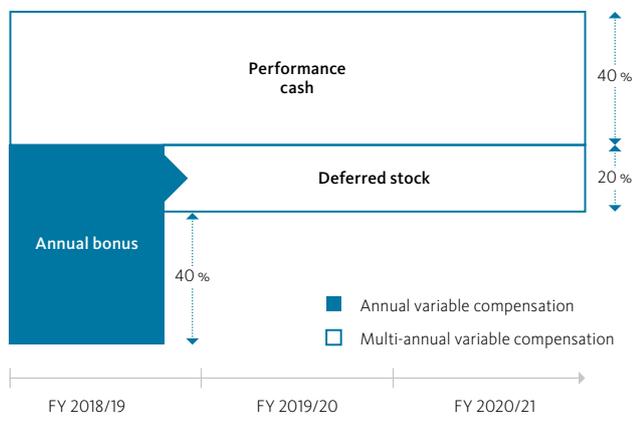
Additionally, the Executive Board members receive fringe benefits in the form of benefits in kind, which primarily consist of insurance premiums and company car use and are assessed according to tax guidelines.

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 2018/19. The Supervisory Board most recently granted one-time special compensation in fiscal year 2015/16. With this, the Supervisory Board compensated the interim assumption of additional duties in the Executive Board by Mr. Faust, as Executive Board spokesman, and Dr. Boel, until Mr. Schachler filled the vacant position of Executive Board chairman on July 1, 2016.

### 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

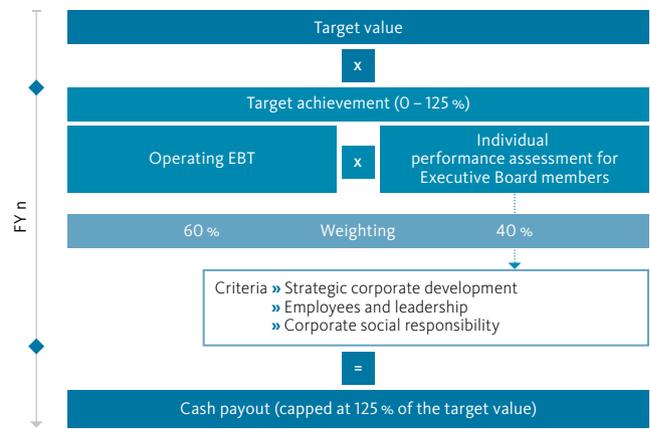


### Annual bonus

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

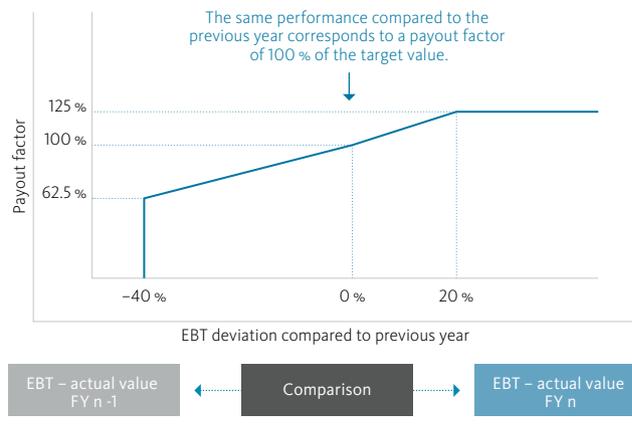
The annual bonus is calculated with a weighting of 60% according to the target set for the fiscal year for the operating EBT components, and a weighting of 40% according to the assessment of the Executive Board member's individual performance for the respective fiscal year, both multiplied by the target 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 attainment 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 attainment. If the minimum value is not reached, the target attainment is 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, as well as corporate social responsibility, are designated as criteria for assessing individual performance. Improvement in the result is being added as a fourth criterion for fiscal year 2019/20. 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).

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 for Dr. Bünger.

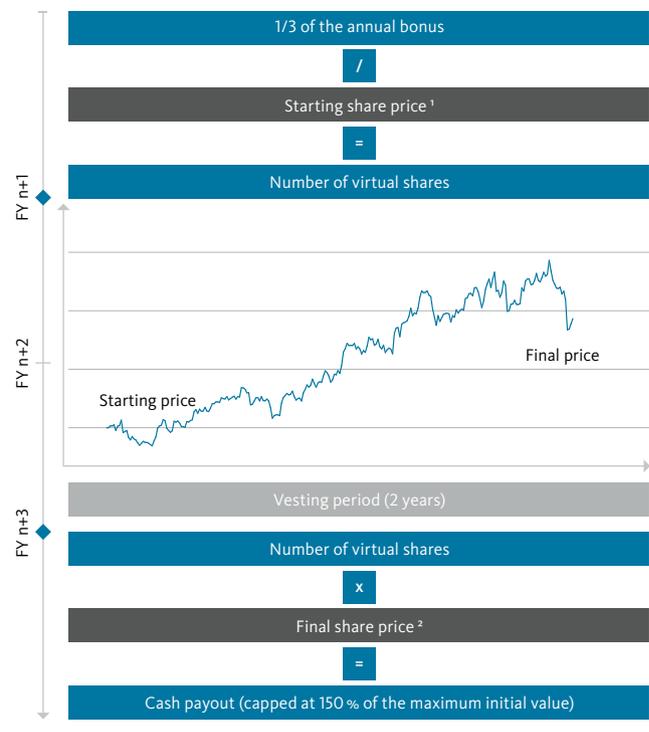
Two-thirds of the annual bonus is paid out directly after the end of the fiscal year. The last third is paid into the stock deferral, which is explained below. There is also a cap on the deferred stock payout.

### 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 attainment, € 136,000 for Mr. Verhoeven in the case of 100% target attainment, and € 110,000 for Dr. Bünger in the case of 100% target attainment.

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



<sup>1</sup> 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.

<sup>2</sup> 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.

### 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 € 220,000 for Dr. Bünger. 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 € 275,000 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).

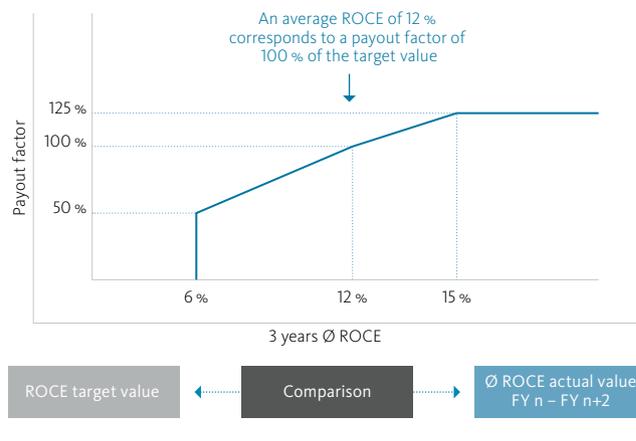
In order to determine the final target achievement for the performance cash plan, the average operating ROCE achieved during the period (calculated annually after the respective fiscal years) is calculated at the end of the three-year period. The Supervisory Board determines an amount for 100% target 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, and 2018/19 up to and including 2020/21 amounts to 12%, with the minimum value being 6% and the maximum value 15%.

The same target values also apply for the next three-year period from 2019/20 up to and including 2021/22. 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. Bünger. 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 new compensation system. Such payment is limited to two years' total annual compensation in accordance with the German Corporate Governance Code recommendations, 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 2018/19

In total, compensation for active Executive Board members for activities in fiscal year 2018/19 amounted to € 3,441,845, including pension expenses (€ 560,165) and expenses for the virtual stock deferral plan (€ 117,392).

The operating EBT for the fiscal year taken as a basis for calculating the EBT component was adjusted by a non-recurring special item with an effect of € 31 million. The adjustment is connected with the change in the derivation of the operating earnings parameter.

The Supervisory Board passed a resolution on June 12, 2019 to release Mr. Jürgen Schachler, whose contract was set to expire on June 30, 2019, from his duties with immediate effect. His compensation was guaranteed until the end of the contract. The contributions to the defined contribution pension commitment and the defined contribution company pension plan for Mr. Schachler were paid in advance in fiscal year 2017/18 and were therefore settled in full.

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 € 560,165. This amount comprises contributions to an external pension fund.

Former members of the Executive Board and their surviving dependents received a total of € 2,237,067 in fiscal year 2018/19, while € 27,789,965 (in accordance with HGB) and € 34,537,696 (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 <sup>2</sup>	2017/18			
Deputy Executive Board chairman from May 20, 2019 to June 30, 2019	<b>2018/19</b>	<b>221,739</b>	<b>6,334</b>	<b>228,073</b>
Executive Board chairman since July 1, 2019	Min.	221,739	6,334	228,073
	Max.	221,739	6,334	228,073
Dr. Thomas Büniger	2017/18			
Executive Board member since October 1, 2018	<b>2018/19</b>	<b>340,000</b>	<b>30,439</b>	<b>370,439</b>
	Min.	340,000	30,439	370,439
	Max.	340,000	30,439	370,439
Rainer Verhoeven	2017/18	315,000	10,754	<b>325,754</b>
Executive Board member since January 1, 2018	<b>2018/19</b>	<b>420,000</b>	<b>15,935</b>	<b>435,935</b>
	Min.	420,000	15,935	435,935
	Max.	420,000	15,935	435,935
Jürgen Schachler <sup>3</sup>	2017/18	600,000	22,474	<b>622,474</b>
Executive Board chairman from July 1, 2016 to June 30, 2019	<b>2018/19</b>	<b>450,000</b>	<b>17,922</b>	<b>467,922</b>
	Min.	450,000	17,922	467,922
	Max.	450,000	17,922	467,922
Dr. Stefan Boel <sup>4</sup>	2017/18	350,000	15,651	<b>365,651</b>
Executive Board member from April 19, 2008 to July 31, 2018	<b>2018/19</b>			
<b>Total</b>	<b>2017/18</b>	<b>1,265,000</b>	<b>48,879</b>	<b>1,313,879</b>
	<b>2018/19</b>	<b>1,431,739</b>	<b>70,630</b>	<b>1,502,369</b>

## Inflow

in €		Fixed compensation	Fringe benefits	Total
Roland Harings <sup>2</sup>	2017/18			
Deputy Executive Board chairman from May 20, 2019 to June 30, 2019	<b>2018/19</b>	<b>221,739</b>	<b>6,334</b>	<b>228,073</b>
Executive Board chairman since July 1, 2019				
Dr. Thomas Büniger	2017/18			
Executive Board member since October 1, 2018	<b>2018/19</b>	<b>340,000</b>	<b>30,439</b>	<b>370,439</b>
Rainer Verhoeven	2017/18	315,000	10,754	<b>325,754</b>
Executive Board member since January 1, 2018	<b>2018/19</b>	<b>420,000</b>	<b>15,935</b>	<b>435,935</b>
Jürgen Schachler <sup>3</sup>	2017/18	600,000	22,474	<b>622,474</b>
Executive Board Chairman from July 1, 2016 to June 30, 2019	<b>2018/19</b>	<b>450,000</b>	<b>17,922</b>	<b>467,922</b>
Dr. Stefan Boel <sup>4</sup>	2017/18	350,000	15,651	<b>365,651</b>
Executive Board member from April 19, 2008 to July 31, 2018	<b>2018/19</b>			
<b>Total</b>	<b>2017/18</b>	<b>1,265,000</b>	<b>48,879</b>	<b>1,313,879</b>
	<b>2018/19</b>	<b>1,431,739</b>	<b>70,630</b>	<b>1,502,369</b>

<sup>1</sup> Pension expenses in accordance with the German Commercial Code (HGB) amounted to € 200,165 for Roland Harings,

€ 180,000 (previous year: € 160,000) for Rainer Verhoeven, € 180,000 for Dr. Thomas Büniger, and € 260,000 (previous year: € 260,000) for Jürgen Schachler.

<sup>2</sup> Refers to compensation for the time period from May 20, 2019 to September 30, 2019.

<sup>3</sup> Refers to compensation for the time period from October 1, 2018 to June 30, 2019.

<sup>4</sup> Refers to compensation for FY 2017/18 for the period October 1, 2017 to July 31, 2018.

<sup>5</sup> In contrast to the previous year, in FY 2018/19 for the first time, the actual inflows (payout amounts) are provided independently of the point in time when the entitlements arise.

<sup>6</sup> The fair value based on planning data amounts to € 117,392. The subscription right for deferred stock in 2018/19 applies to 1,516 virtual shares for Roland Harings, 2,741 virtual shares for Rainer Verhoeven, and 1,784 virtual shares for Dr. Thomas Büniger.

The variable multiannual compensation in the previous Executive Board compensation system (Jürgen Schachler) for FY 2018/2019 is determined according to the ratio of the operating actual-to-target EBT relating to the Aurubis Group and the average of the fiscal years 2016/17, 2017/18, and 2018/19. The average actual EBT is approximately € 283 million and represents a target achievement of about 62 %.

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 <sup>1</sup>	Total compensation
139,123		69,562	112,584	549,342	200,165	749,507
0		0	0	228,073	200,165	428,238
183,562		137,671	183,562	732,867	200,165	933,032
208,426		104,213	168,667	851,744	180,000	1,031,744
0		0	0	370,439	180,000	550,439
275,000		206,250	275,000	1,126,689	180,000	1,306,689
199,594		99,797	240,720	865,865	160,000	1,025,865
257,690		128,845	208,533	1,031,003	180,000	1,211,003
0		0	0	435,935	180,000	615,935
340,000		255,000	340,000	1,370,935	180,000	1,550,935
500,000	504,750			1,627,224	260,000	1,887,224
375,000	410,063			1,252,985	0	1,252,985
187,500	0			655,422	0	655,422
375,000	562,500			1,405,422	0	1,405,422
291,667	280,417			937,735	150,000	1,087,735
<b>991,261</b>	<b>785,167</b>	<b>99,797</b>	<b>240,720</b>	<b>3,430,824</b>	<b>570,000</b>	<b>4,000,824</b>
<b>980,239</b>	<b>410,063</b>	<b>302,619</b>	<b>489,784</b>	<b>3,685,075</b>	<b>560,165</b>	<b>4,245,240</b>

Variable compensation for one year <sup>5</sup>	Variable compensation for several years <sup>5</sup>	Variable compensation for several years: deferred stock <sup>6</sup>	Variable compensation for several years: performance cash plan	Total	Pension expenses <sup>1</sup>	Total compensation
0				0	0	0
0	0	0	0	228,073	200,165	428,238
0				0	0	0
0	0	0	0	370,439	180,000	550,439
227,419				553,173	160,000	713,173
227,419	0	0	0	663,354	180,000	843,354
475,000	559,500			1,656,974	260,000	1,916,974
475,000	559,500			1,502,422	0	1,502,422
262,500	310,833			938,984	150,000	1,088,984
<b>964,919</b>	<b>870,333</b>	<b>0</b>	<b>0</b>	<b>3,149,131</b>	<b>570,000</b>	<b>3,719,131</b>
<b>702,419</b>	<b>559,500</b>	<b>0</b>	<b>0</b>	<b>2,764,288</b>	<b>560,165</b>	<b>3,324,453</b>

## COMPENSATION FOR THE SUPERVISORY BOARD

### Supervisory Board compensation for fiscal year 2018/19

in €

Name		Fixed compensation	Compensation for committee membership	Attendance fees	Total
Prof. Dr. Fritz Vahrenholt	2017/18	162,945	44,489	17,000	<b>224,434</b>
	<b>2018/19</b>	<b>225,000</b>	<b>50,000</b>	<b>10,000</b>	<b>285,000</b>
Renate Hold-Yilmaz	2017/18	150,000	25,000	18,000	<b>193,000</b>
	<b>2018/19</b>	<b>82,603</b>	<b>20,651</b>	<b>9,000</b>	<b>112,254</b>
Deniz Filiz Acar	2017/18				
	<b>2018/19</b>	<b>31,027</b>	<b>4,562</b>	<b>3,000</b>	<b>38,589</b>
Andrea Bauer	2017/18	20,753	1,706	2,000	<b>24,459</b>
	<b>2018/19</b>	<b>75,000</b>	<b>12,062</b>	<b>7,000</b>	<b>94,062</b>
Burkhard Becker	2017/18	31,233	9,370	10,000	<b>50,603</b>
	<b>2018/19</b>				
Dr. Bernd Drouven	2017/18	31,233	12,494	6,000	<b>49,727</b>
	<b>2018/19</b>				
Christian Ehrentraut	2017/18				
	<b>2018/19</b>	<b>31,027</b>	<b>4,562</b>	<b>5,000</b>	<b>40,589</b>
Dr.-Ing. Joachim Faubel	2017/18	31,233	0	6,000	<b>37,233</b>
	<b>2018/19</b>				
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	2017/18	137,466	46,911	19,000	<b>203,377</b>
	<b>2018/19</b>	<b>75,000</b>	<b>25,000</b>	<b>14,000</b>	<b>114,000</b>
Karl-Heinz Hamacher	2017/18	43,973	8,795	5,000	<b>57,768</b>
	<b>2018/19</b>	<b>18,904</b>	<b>3,781</b>	<b>0</b>	<b>22,685</b>
Prof. Dr. Karl Friedrich Jakob	2017/18	43,973	13,192	9,000	<b>66,165</b>
	<b>2018/19</b>	<b>75,000</b>	<b>22,541</b>	<b>12,000</b>	<b>109,541</b>
Jan Koltze	2017/18	75,000	15,000	14,000	<b>104,000</b>
	<b>2018/19</b>	<b>75,000</b>	<b>19,562</b>	<b>12,000</b>	<b>106,562</b>
Dr. Stephan Krümmer	2017/18	43,973	21,986	8,000	<b>73,959</b>
	<b>2018/19</b>	<b>75,000</b>	<b>39,781</b>	<b>14,000</b>	<b>128,781</b>
Dr. Elke Lossin	2017/18	43,973	8,795	7,000	<b>59,768</b>
	<b>2018/19</b>	<b>75,000</b>	<b>15,000</b>	<b>12,000</b>	<b>102,000</b>
Dr. Sandra Reich	2017/18	75,000	11,898	13,000	<b>99,898</b>
	<b>2018/19</b>	<b>75,000</b>	<b>15,000</b>	<b>12,000</b>	<b>102,000</b>
Stefan Schmidt	2017/18	43,973	8,795	8,000	<b>60,768</b>
	<b>2018/19</b>	<b>97,808</b>	<b>19,562</b>	<b>12,000</b>	<b>129,370</b>
Edna Schöne	2017/18	21,986	2,199	1,000	<b>25,185</b>
	<b>2018/19</b>				
Dr. med. Dipl.-Chem. Thomas Schultek	2017/18	31,233	9,370	6,000	<b>46,603</b>
	<b>2018/19</b>				
Rolf Schwertz	2017/18	31,233	0	6,000	<b>37,233</b>
	<b>2018/19</b>				
Melf Singer	2017/18	43,973	4,397	5,000	<b>53,370</b>
	<b>2018/19</b>	<b>75,000</b>	<b>9,801</b>	<b>9,000</b>	<b>93,801</b>
Ralf Winterfeldt	2017/18	31,233	9,370	6,000	<b>46,603</b>
	<b>2018/19</b>	<b>24,658</b>	<b>3,740</b>	<b>4,000</b>	<b>32,398</b>
Dr.-Ing. Ernst J. Wortberg	2017/18	31,233	15,616	10,000	<b>56,849</b>
	<b>2018/19</b>				
<b>Total</b>	<b>2017/18</b>	<b>1,125,619</b>	<b>269,383</b>	<b>176,000</b>	<b>1,571,002</b>
	<b>2018/19</b>	<b>1,111,027</b>	<b>265,603</b>	<b>135,000</b>	<b>1,511,630</b>

The compensation for the Supervisory Board was redefined 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.

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

Supervisory Board members who serve on the Personnel and/or Audit Committee additionally receive fixed compensation in the amount of € 15,000/fiscal year per committee. Supervisory Board members who serve on the other Supervisory Board committees additionally receive fixed compensation of € 7,500 per 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 per 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 € 1,511,630 [Q Supervisory Board compensation for fiscal year 2018/19, page 34](#).

Hamburg, December 10, 2019

For the Executive Board



Roland Harings  
Chairman



Rainer Verhoeven  
Member

For the Supervisory Board



Prof. Dr. Fritz Vahrenholt  
Chairman

# Aurubis Shares on the Capital Market

## Stock markets influenced by political developments

The driving factors behind the stock markets in fiscal year 2018/19 were largely political. The developments in the trade conflict between the US and China, as well as in the Brexit negotiations, considerably impacted share price developments during the entire reporting period. In combination with economic weakness in China and the US, and fear of the US Federal Reserve increasing interest rates, this led to a significant slump on the stock markets at the end of 2018: the DAX fell from 12,339 points at the start of the fiscal year to 10,559 points at the end of the calendar year – after a low of 10,382 points on December 27, 2018. Nevertheless, this was followed by a distinct recovery phase in the new year, which corrected the pessimistic expectations of the preceding months. The strong surge in key US indices supported this development. In mid-April, the DAX climbed above the 12,000-point mark again. Afterward, more announcements of tariffs in the ongoing trade conflict and stagnating Brexit negotiations caused investors to get nervous again. The prospect of easing monetary policy in the US and Europe more than compensated for this, however, and the DAX reached a fiscal-year high of 12,630 points on July 4, 2019. Driven by the political developments described, the capital markets were volatile until the end of the fiscal year: the DAX fell to an interim low of 11,413 points in

mid-August but rose again, closing the fiscal year at 12,428 points, due to signals that the trade conflict could be easing up, the prospect that a no-deal Brexit might be avoided, and looser monetary policy from the European Central Bank (ECB).

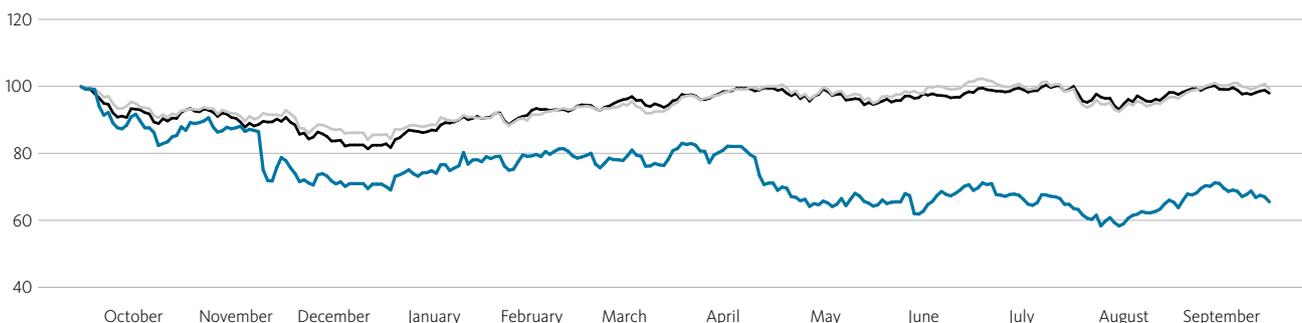
## Aurubis shares showed a volatile trend due to internal and external factors

The performance of Aurubis shares was also significantly impacted by internal factors, in addition to the uncertain mood on the capital market. The shares started at their fiscal-year high (closing price) of € 61.02 on October 1, 2018 and declined in Q1 of the fiscal year in line with the international stock markets. In particular following the ad hoc announcement on November 26, 2018, stating that the 2018/19 forecast for the operating result would be reduced to “moderately” (-5% to -15%) below the previous year, the shares lost considerable ground and closed 2018 at € 43.22. Stock markets recovered at the start of 2019, and Aurubis shares also exceeded the € 50 mark in early April before the announcement on April 26, 2019 regarding the further reduction in the full-year forecast for 2018/19 to “significantly” (>-15%) below the previous year strained the share price once again. The shares continued to decline and hit their fiscal-year low of € 35.60 in mid-August after the release of the nine-month results, in a nervous capital market environment. In a more positive market environment, the shares

## Aurubis share performance compared with the MDAX and DAX from October 1, 2018 to September 30, 2019

indexed to 100 %

— Aurubis shares (Xetra) — MDAX — DAX



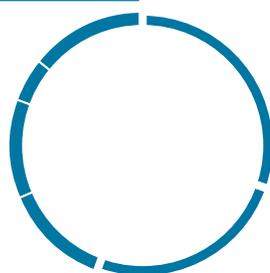
rose 22% until mid-September, nevertheless closing the fiscal year lower at € 40.89 on September 30, 2019. With a performance of -32% for the fiscal year overall, the shares were considerably behind the development of the DAX (1%), the MDAX (0%), and the STOXX Europe 600 (3%). Market capitalization was € 1,838 million as at fiscal year-end (previous year: € 2,708 million). Since June 24, 2019, the shares have not been part of the STOXX Europe 600.

### Shareholder structure

in % (prior-year figures in parentheses)

45 (53)  
Institutional  
investors

14 (15) Germany  
6 (12) Rest of Europe  
12 (6) UK/Ireland  
13 (19) North America  
0 (1) Others



30 (20)  
Salzgitter AG

25 (27)  
Retail  
investors

Aurubis shares remain an attractive long-term investment. Shareholders who, for example, invested € 1,000 at the end of September 2009 and reinvested the dividends they received (without a tax deduction) into Aurubis shares had a portfolio value of € 1,789 on September 30, 2019. This is an 84.91% increase in value, or a total annual return of 5.99%.

### Trading volume of Aurubis shares exceeds previous year

The volatility in the Aurubis share price was also reflected in the daily average Xetra trading volume, which, at 221,144 shares, exceeded the prior-year level (217,736 shares).

### Aurubis has a well-diversified shareholder structure

Aurubis maintained its stable and well-diversified shareholder structure in fiscal year 2018/19. Salzgitter Mannesmann GmbH increased its shareholding, according to a voting rights notification dated December 13, 2018, from 20% to 25%. In its analyst conference on the first half of 2019, Salzgitter announced that the stake in Aurubis AG had been increased to 30% minus one share. An analysis carried out in September/October 2019 indicated that the proportion of institutional investors decreased slightly to 45% (previous year: 53%). The proportions in the rest

### Key figures of Aurubis shares

		2018/19 <sup>2</sup>	2017/18 <sup>2</sup>	2016/17 <sup>2</sup>	2015/16 <sup>2</sup>	2014/15 <sup>2</sup>
Closing price as at fiscal year-end <sup>1</sup>	in €	40.89	60.24	68.54	49.88	56.90
Year high (close) <sup>1</sup>	in €	61.02	86.12	78.47	61.68	59.68
Year low (close) <sup>1</sup>	in €	35.60	55.44	46.79	37.54	36.43
Market capitalization as at fiscal year-end <sup>1</sup>	in € million	1,838	2,708	3,081	2,242	2,558
Number of shares as at fiscal year-end	in '000	44,956.70	44,956.70	44,956.70	44,956.70	44,956.70
Dividend or recommended dividend	in €	1.25	1.55	1.45	1.25	1.35
Payout ratio <sup>3</sup>	in %	41	26	28	34	24
Dividend yield	in %	3.1	2.6	2.1	2.5	2.4
Operating earnings per share	in €	3.08	5.87	5.21	3.64	5.68
Operating price/earnings ratio as at fiscal year-end		13.28	10.26	13.16	13.70	10.02

<sup>1</sup> Xetra disclosures.

<sup>2</sup> Values have been "operationally" adjusted for measurement effects deriving from the use of the average cost method in accordance with IAS 2. In consequence, metal price fluctuations resulting from the use of the average cost method are also eliminated, as are the non-permanent write-downs or write-ups of copper inventories as at the reporting date. Fixed assets are adjusted by non-cash-effective impacts deriving from purchase price allocations.

<sup>3</sup> In FY 2016/17, the payout ratio definition was changed compared to the previous year. The new basis is the operating net result and no longer Aurubis AG's unappropriated earnings.

of Europe and North America declined, while substantial increases were recorded in the UK/Ireland. London-based Silchester International Investors LLP holds a 10.03% stake, according to a voting rights notification dated October 9, 2019. Rossmann Beteiligungs GmbH, Burgwedel, holds a 5.005% stake in Aurubis AG, according to a voting rights notification dated August 23, 2019. The majority of institutional investors are located outside of Germany. The proportion of shares held by retail investors decreased to 25% (previous year: 27%).

## Executive Board and Supervisory Board suggest a dividend of € 1.25

The objective of our dividend policy is to allow our shareholders to participate in the company's success adequately and continuously. The Executive Board and Supervisory Board will recommend a dividend of € 1.25 at the Annual General Meeting on February 27, 2020. This corresponds to a payout ratio of 41% of the operating consolidated net income (previous year: 26%). The dividend yield based on the closing price as at September 30, 2019 amounts to 3.1% (previous year: 2.6%).

## Prompt, targeted capital market communication

Our capital market communication in fiscal year 2018/19 focused intensively on our reduced operating performance due to planned and unplanned shutdowns, on the appointment of a new Executive Board chairman, and on external and internal growth projects. Furthermore, the volatile market environment, the varying developments on our submarkets, and the company's resulting earnings trend led to a high demand for information among capital market participants. We met this need with proactive, prompt communication tailored to our target groups. We informed our private and institutional investors about the Aurubis Group's current business performance and potential through different channels. Dialogue with institutional investors was once again a significant pillar of our capital market communication. The Executive Board and the Investor Relations department discussed the current business situation and the Aurubis Group strategy at many investor conferences and roadshows at the main financial centers in Europe and North

America, in conference calls, and in a number of individual meetings. Webcasts on the release dates of our quarterly reports enabled investors and analysts to communicate with the Executive Board and management representatives. Moreover, many investors were informed about our processes, operating facilities, and products during visits to our Hamburg site.

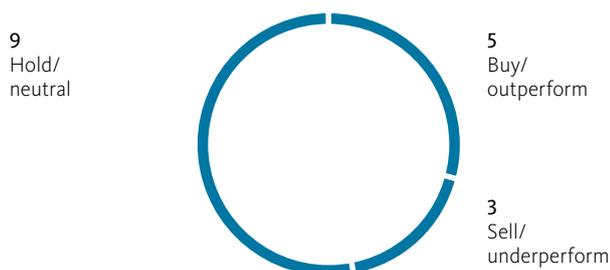
We informed the capital markets about extraordinary developments in the form of ad hoc announcements, which were as follows:

- » Announcement on October 10, 2018: The European Commission expressed reservations, from the perspective of merger control law, regarding the approval of the sale of Segment FRP
- » Announcement on November 1, 2018: According to preliminary figures, Aurubis AG generated operating earnings before taxes (EBT) of € 63 million in Q4 of fiscal year 2017/18 (previous year: € 87 million), which is below current market expectations (€ 73 million)
- » Announcement on November 26, 2018: Aurubis AG expects its operating result for fiscal year 2018/19 to be moderately below the previous year
- » Announcement on December 10, 2018: Change in Executive Board chairmanship in mid-2019
- » Announcement on January 30, 2019: Roland Harings to become new CEO of Aurubis AG
- » Announcement on April 26, 2019: Aurubis AG generates preliminary quarterly earnings of € 63 million and reduces full-year forecast
- » Announcement on May 22, 2019: Aurubis acquires the Metallo Group
- » Announcement on June 12, 2019: Executive Board Chairman Jürgen Schachler relieved from his duties, effective immediately, and FCM investment project halted

A total of 17 financial analysts from national and international research firms regularly published recommendations and analyses about Aurubis' shares during fiscal year 2018/19. Deutsche Bank resumed coverage again in July 2019 after a change in analysts. Coverage at Macquarie is currently suspended. The ratings were as follows at the end of the fiscal year:

## Overview of analyst recommendations

Number as at September 30, 2019



We held four dialogue events for our retail shareholders this year. At our Hamburg site and our recycling site in Lünen, around 300 shareholders gathered extensive information about the current development of the Group and its economic environment and had the opportunity to speak with Aurubis managers and employees. We held presentations for retail investors at events organized by private shareholder associations as well. The high level of interest in our shares was also evident at our well-attended Annual General Meeting on February 28, 2019, in which over 1,000 shareholders participated. Shareholders were also able to follow the Executive Board chairman's speech live online, where it was also made available after the event.

Current information on the development of the company is available at [www.aurubis.com](http://www.aurubis.com). We provide financial reports, analyst presentations, and additional publications in our download center.

Security Identification Number	676650
International Securities Identification Number (ISIN)	DE 000 67 66 504
Stock market segment	MDAX
Stock exchanges	Regulated market: Frankfurt am Main and Hamburg; unofficial market: Berlin, Düsseldorf, Hanover, Munich, Stuttgart, Tradegate
Market segment	Prime Standard
Issue price	€ 12.78
Average daily trading volume	221,144 shares in Xetra trading
Ticker symbol	NDA
Reuters code	NAFG
Bloomberg code	NDA_GR

## Analyst coverage 2018/19

Baader Bank	Christian Obst
Bankhaus Lampe	Marc Gabriel
Bank of America Merrill Lynch	Olivia Du
Commerzbank	Ingo-Martin Schachel
Deutsche Bank	Bastian Synagowitz (since July 2019)
DZ Bank	Dirk Schlamp
Exane BNP Paribas	Jatinder Goel
Goldman Sachs	Eugene King
Hauck & Aufhäuser	Henning Breiter
Independent Research GmbH	Sven Diermeier
Kepler Cheuvreux	Rochus Brauneiser
LBBW	Jens Münstermann
Macquarie Research <sup>1</sup>	Ioannis Masvoulas
Morgan Stanley	Dan Shaw
NordLB	Holger Fechner
Quirin Bank AG	Klaus Soer
M.M. Warburg	Eggert Kuls

<sup>1</sup> Coverage currently suspended due to a change in analyst.