

Corporate Governance at Aurubis

January 2023



We are planning the following changes to our corporate governance

1. Shorter Board election term

Subject to AGM approval, the Board election term will be shortened from five to four years, in line with international practice



2. Enhanced Supervisory Board skill profile

Updated skill profile for the SB in line with strategic priorities of the company. Relevant for the (re-) election of Board members at next AGM



3. Refined compensation system

Executive pay to include a higher share-based component and STI/LTI utilizing refined KPI, including ESG targets



4. Executive Board diversity

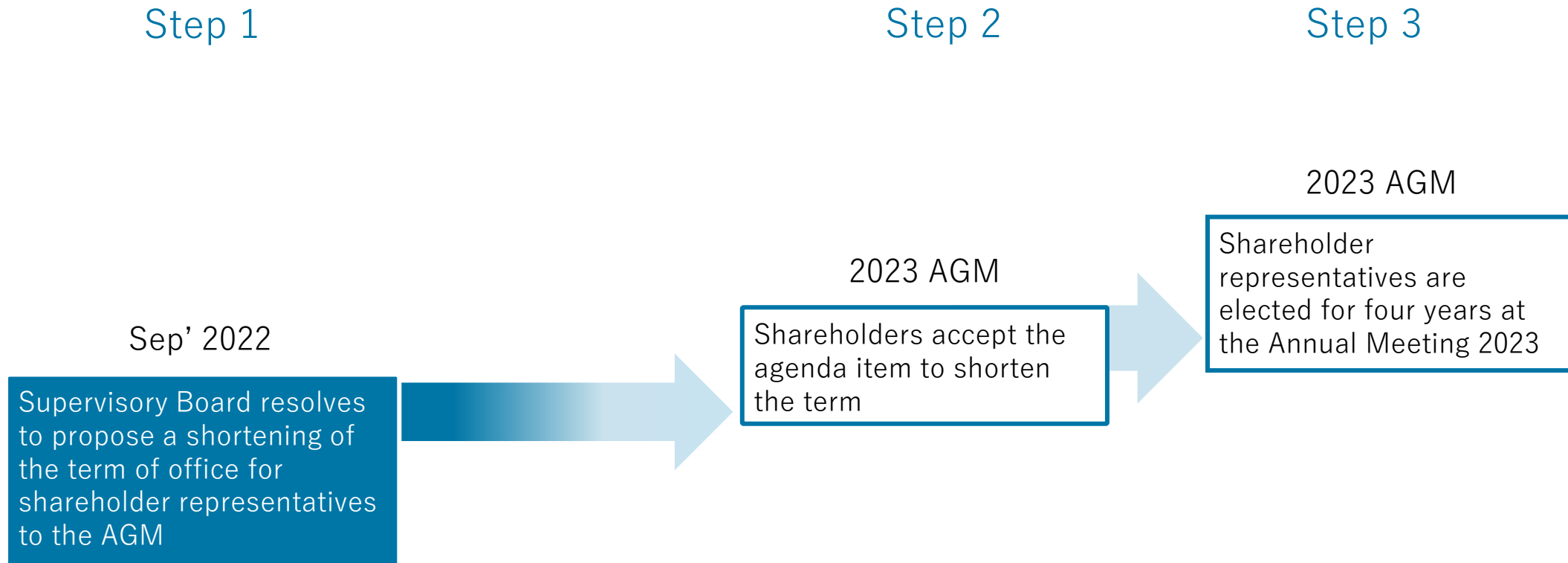
Female Executive Board member appointed as COO Multimetal Recycling, bringing gender diversity in the EB to 25 %*



* As of January 1, 2023







» We aim to receive approval by the AGM for Corporate Governance related changes.

Roadmap to reducing the Supervisory Board term to four years for shareholder representatives



➤ The amendment to the Articles of Association will be entered in the commercial register a few days after the Annual General Meeting. Therefore, it is legally necessary that the election of the Supervisory Board members be subject to a condition precedent until that registration.

Skill matrix of the current Supervisory Board (shareholder reps)

Category		 Vahrenholt	 Reich	 Krümmer	 Groebler	 Jakob	 Bauer
Tenure	Member since	1999 (2018)	2013	2018	2021	2018	2018
Personal capacity	Independence		✓	✓	✓*	✓	✓
	Mandate limits	✓	✓	✓	✓	✓	✓
Diversity	Gender	Male	Female	Male	Male	Male	Female
	Year of birth	1949	1977	1956	1972	1951	1966
	Prof. background	Chemistry	Business Law	Economics	Engineering	Mining	Auditing
	Citizenship	German	German	German	German	German	German
Skills	Management & HR	✓	✓	✓	✓	✓	✓
	Technology	✓			✓	✓	
	Digitalization		✓		✓		✓
	Internat'l experience	✓	✓	✓	✓	✓	✓
	Risk Management	✓	✓	✓			✓
	Finance		✓	✓			✓
	ESG	✓	✓	✓	✓		✓
	Audit		✓	✓			✓
	Strategy	✓	✓	✓	✓	✓	✓

* CEO of majority shareholder Salzgitter AG, independent in accordance with C.7 of the GCGC







Note: grey-shaded members will not be available for re-election

Enhanced skill profile for the Supervisory Board

Skill area	Description
Management and HR	<ul style="list-style-type: none"> – Experience in and knowhow of managing industrial companies through sector disruption, change management processes and efficiency programs – Experience and knowhow in international human resources management, including recruiting and development of senior executives
Technology	<ul style="list-style-type: none"> – Understanding of metallurgy and the supply chain for resource- and energy-intensive industrial companies
Digitalization	<ul style="list-style-type: none"> – Experience in digitalizing industrial processes and companies
International experience	<ul style="list-style-type: none"> – Personal experience in managing companies on location in key international markets outside of Germany – Good understanding of the customer, investor or regulatory landscapes of key international locations
Risk management	<ul style="list-style-type: none"> – Experience in managing operational, market, supply chain, geopolitical, financial, legal, cybersecurity and compliance risks with internal control systems
Finance	<ul style="list-style-type: none"> – Deep understanding of and experience in the application of international accounting principles and internal control procedures – Good understanding of corporate finance and capital markets
Audit*	<ul style="list-style-type: none"> – Professional expertise and personal experience in auditing*, including sustainability reporting
Environment, Social, and Corporate Governance (ESG)	<ul style="list-style-type: none"> – Knowledge of ESG factors and their significance for Aurubis, particularly as an energy-intensive company – Experience in sustainability, sustainable technologies and corporate responsibility – Knowledge of the legal provisions and standards for corporate governance and compliance for an exchange-listed company (German Corporate Governance Code, Market Abuse Regulation, etc.)
Strategy	<ul style="list-style-type: none"> – Experience with strategy development and execution processes – Experience with M&A processes

* According to Sections 100 (5) and 107 (4) of the AktG, at least one member of the Supervisory Board/Audit Committee must have expertise in the field of accounting and at least one other member of the Supervisory Board/Audit Committee must have expertise in the field of auditing; according to the GCGC, the chairman of the Audit Committee should have special knowledge and experience in the application of accounting principles and internal control procedures as well as be familiar with auditing.

Skill matrix of the proposed Supervisory Board* (shareholder reps)

Category		 Vahrenholt	 Reich	 Krümmmer	 Groebler	 Dahnke	 Kramer
Tenure	Member since	1999 (2018)	2013	2018	2021	2023	
Personal capacity	Independence		✓	✓	✓**	✓	✓
	Mandate limits	✓	✓	✓	✓	✓	✓
Diversity	Gender	Male	Female	Male	Male	Female	Male
	Year of birth	1949	1977	1956	1972	1960	1964
	Prof. background	Chemistry	Business Law	Econ	Engineer	Econ	Econ
	Citizenship	German	German	German	German	German	German
Skills	Management & HR	✓	✓	✓	✓	✓	✓
	Technology	✓			✓		✓
	Digitalization		✓		✓	✓	✓
	Internat'l experience	✓	✓	✓	✓		✓
	Risk Management	✓	✓	✓		✓	✓
	Finance		✓	✓		✓	
	ESG	✓	✓	✓	✓	✓	
	Audit			✓		✓	
Strategy	✓	✓	✓	✓		✓	

* Post election at the 2023 AGM

** CEO of majority shareholder Salzgitter AG, independent in accordance with C.7 of the GCGC

Proposed changes will strengthen the Supervisory Board

Shortening of the Supervisory Board election term for shareholder representatives from five to four years will bring the term in line with international practice and **reduce individual Board members' tenures** in the future.

Updated **skill profile** was taken into account during the search for the **two candidates for the Supervisory Board** to succeed Mrs Bauer and Prof. Dr. Jakob, **bringing in fresh expertise**.

Prof. Dr. Fritz Vahrenholt will not return as **chairman of the Personnel/Compensation Committee** or of the **Nomination Committee**. Instead, the chair of these two committees and of the **Audit Committee** will be held by an **independent member of the Supervisory Board**. In addition, the members of **the three committees** will be selected in such a way that **at least 50 %** of the members representing the shareholders are independent.

Supervisory Board **Chairman Prof. Vahrenholt proposed for re-election** to oversee the execution of the new strategy and to **safeguard continuity**. A primary goal will be to **prepare an orderly transition to a new Chair** by 2027 at the latest.

Revision of compensation system for the Executive Board

Revision of existing compensation system with the goals to:

- Reduce complexity
- Establish a stronger share price reference by strengthening equity compensation in the multi-year variable compensation (LTI)
- Implement ESG targets as a separate performance target

Revised compensation system to be proposed to the 2023 Annual General Meeting, to apply starting in October 2023

Fixed compensation, pension plans, and fringe benefits

1. Annual variable compensation (STI)

- Increase weighting of earnings before taxes (EBT)
- Implementation of ESG-Targets as separate performance goals
- Raise cap from 125 to 150 %

2. Multiannual variable compensation (LTI)

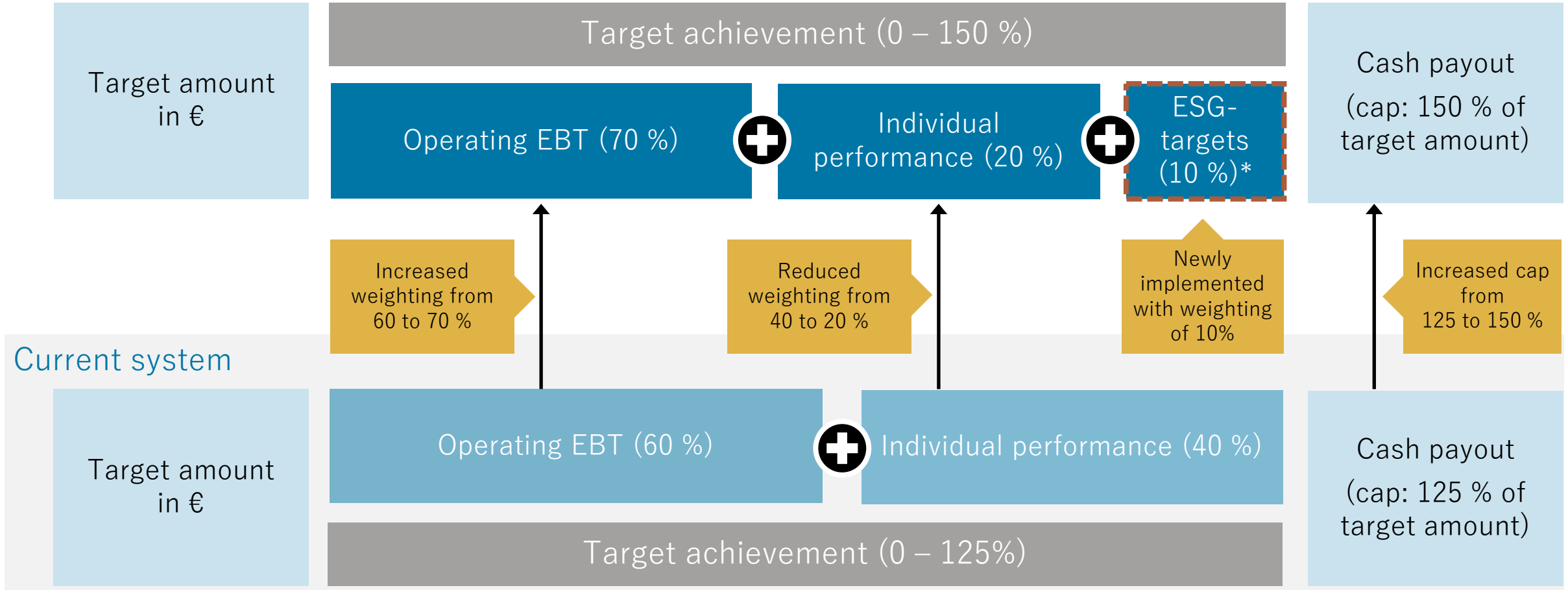
- Replace share deferral by Performance Share Plan incl. relative total shareholder return (TSR) as additional performance goal
- Raise cap to 200 %

3. Maximum compensation

- Increased maximum compensation
 - CEO: € 2,600,000 -> € 3,300,000
 - Ordinary EB member: € 1,800,000-> € 2,300,000

STI – overview of changes

Revised system

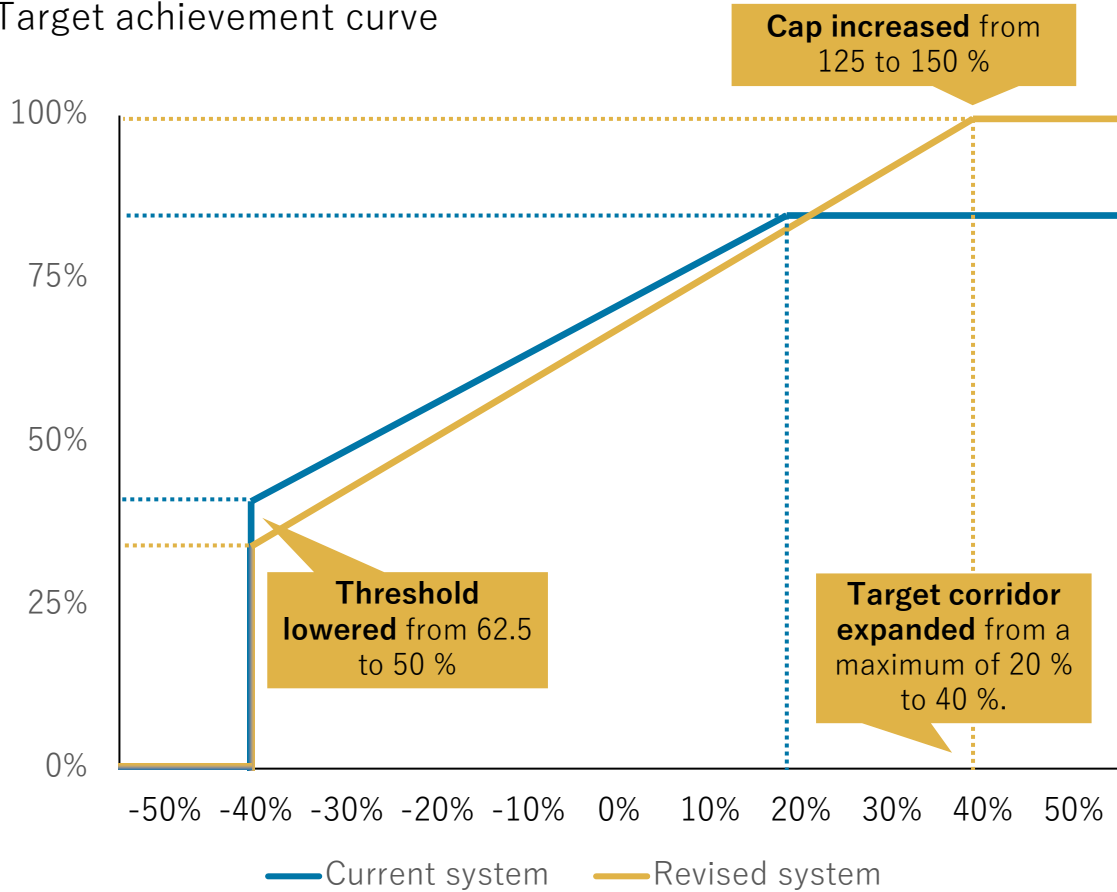


* Based on Aurubis' 2030 Sustainability Targets (see slide 11 for details)

STI – operating EBT as performance KPI

YoY comparison

Target achievement curve



YoY comparison remains performance standard for the operating EBT performance target for the annual bonus.

Moving to linear target attainment curve to maintain a balanced risk-reward profile.

Design of target achievement curve with threshold to be retained; raising cap from 125 to 150 %.

STI – ESG targets

ESG Criteria		2030 targets as base KPIs for yearly ESG target achievement criteria
Economy	Recycling solutions	» 50 % of recycled content in copper cathodes
	Responsible supply chain	» No suppliers with a very high risk
Environment	Energy & climate	» -50 % absolute Scope 1 and Scope 2 Emissions (base year 2018) » -24 % Scope 3 Emissions per t of copper cathodes (base year 2018)
	Environmental protection	» -15 % special dust emissions in g/t of multimetal copper equivalent (base year 2018) » -25 % specific metal emissions to water in g/t of multimetal copper equivalent (base year 2018)
People	Health & safety	» LTIFR 0
	Future-oriented employer	» 100 % of relevant employers are trained on unconscious bias » >40 % ¹ of employers take part in job rotation or job shadowing, with diversity being promoted at the same time » At least 75 % ¹ of the employees surveyed participate in pulse checks and feedback measures
	Training & education	» 100 % fulfillment of the continuing education allotment in hours (continuing education allotment: 18 hours per year for each employee)
	Social engagement	» 90 % long-term partners (percentage of total budget) » 0.8 % of operating EBT (five-year average) as annual budget for social engagement, but at least € 2 million

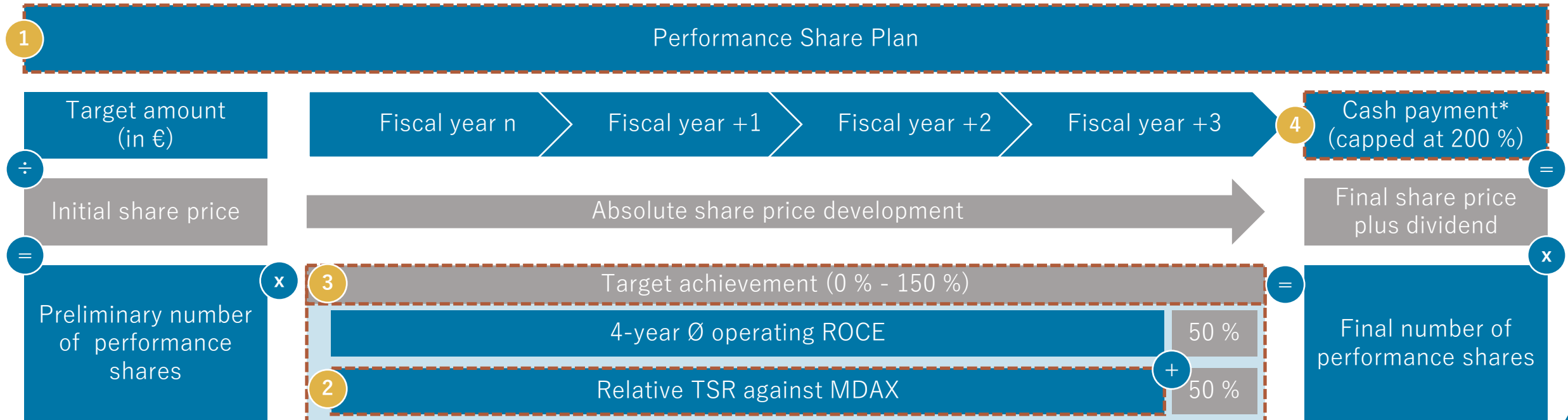
¹ Over the period FY 2021/22 to 2029/30

Achievement of ESG targets now designed to impact annual variable remuneration as an **important incentive to achieve the Aurubis 2030 sustainability targets**. Operationalised annual ESG targets create clear milestones as part of Aurubis' long-term sustainability strategy.

From these KPIs, the Supervisory Board will select concrete and measurable targets for each fiscal year as relevant ESG target achievement criteria, in line with Aurubis' 2030 sustainability targets.

LTI – Performance Share Plan

- 1 Moving from Performance Cash Plan to **Performance Share Plan** to create a stronger share price link in line with point G.10 of the German Corporate Governance Code
- 2 Relative **total shareholder return (TSR)** to be implemented as additional performance target
- 3 **Maximum target achievement to be raised to 150 %** in line with market practice
- 4 **Cap to be raised to 200 %** of target amount in line with market practice

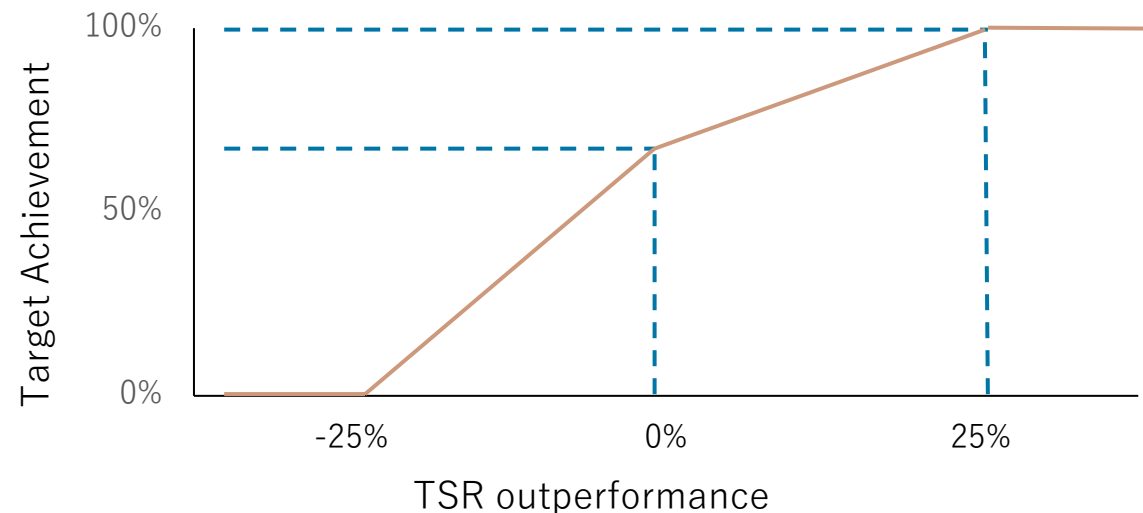


*Clawback possible for compliance malus or faulty annual results

LTI – Relative TSR target achievement curve

- Relative TSR as performance target will be measured by the **TSR outperformance of Aurubis against the MDAX over a four-year period**
- Target achievement curve will consist of **symmetrical target corridor of outperformance of -25 to +25 percentage points.**
- For the five tranches from 2013 to 2017 this results in an **average target achievement of 78 %.**

Target achievement curve relative TSR




	TSR performance Aurubis	TSR performance MDAX	Out-performance	Target achievement
Tranche 2013 - 2017	85.9%	71.4%	14.5%	129%
Tranche 2014 - 2018	83.7%	65.4%	18.3%	137%
Tranche 2015 - 2019	-20.4%	27.8%	-48.2%	0%
Tranche 2016 - 2020	39.7%	27.6%	12.1%	124%
Tranche 2017 - 2021	13.4%	41.8%	-28.4%	0%

Maximum compensation

- Target amount of the share deferral shifted to multiannual variable compensation and an increase in the caps
- Corresponding changes to the target and maximum compensation for the CEO and ordinary EB members will be made

Function	CEO			Ordinary EB member			CEO			Ordinary EB member		
	target	>>>	max	target	>>>	max	target	>>>	max	target	>>>	max
remuneration in €1000												
Base salary	650			460			650			460		
+ one-year variable compensation (STI)	440	125%	550	296	125%	370	440	150%	660	296	150%	444
= cash payout	1,090		1,200	756		830	1,090		1,310	756		904
+ share deferral	220	150%	413	148	150%	278	-		-	-		-
+ multi-year variable compensation (LTI)	440	125%	550	296	125%	370	660	200%	1,320	444	200%	888
= direct compensation	1,750		2,163	1,200		1,478	1,750		2,630	1,200		1,792
+ pension		260			180			260			180	
+ fringe benefits		50			50			50			50	
= calculated total compensation	2,060		2,473	1,430		1,708	2,060		2,940	1,430		2,022
Maximum compensation pursuant to Section 87a of the AktG	2,600			1,800			3,300			2,300		


The new maximum compensation shall be set in accordance with Section 87a of the AktG:
 - CEO: €3,300,000
 - Ordinary EB members: €2,300,000

Summary

1. **Reduction** of the **Supervisory Board term of office** for shareholder representatives
2. **Supervisory Board nominees for election** and re-election of the remaining members
3. **Supervisory Board Chairman Prof. Vahrenholt proposed for re-election** to oversee the execution of the new strategy and to **safeguard continuity**. A primary goal will be to **prepare an orderly transition to a new chairman** by 2027 at the latest.
4. **Adoption** of the **revised compensation system for the Executive Board**, strengthening the alignment of compensation with operating performance and longer-term total shareholder return as well as ESG target achievement