



There's a lot to talk about: The company's new path to becoming a multi-metal processor calls for strategic guidance.

*"The development of our operating performance was very dynamic in fiscal year 2017/18, due in part to positive effects from the efficiency improvement program."*

JÜRGEN SCHACHLER

# Letter from the Executive Board

*Dear Shareholders and Friends  
of the Company,*

It has rarely been this exciting to chart Aurubis' development. We are in the middle of a reorientation phase, making the shift from pure copper producer to multi-metal company, as planned in our Vision 2025. We are seeing that many of the growth, efficiency, and sustainability measures we have initiated are bearing initial fruit. At the same time, our markets are in constant motion, opening up new opportunities for us. For example, we see fascinating possibilities for growth in stronger cooperation with raw material suppliers and in multi-metal recycling, where we have a competitive edge thanks to our extensive knowledge.

We are confident that there is even more to our company. We want to provide you with an insight into which metals will come into sharper focus in the future, show where our strategic initiatives are having an impact, and illustrate how all of this is expanding our business model. This year, you will find all of this information summarized in the magazine accompanying our Annual Report.



[annualreport2017-18](#)  
[aurubis.com](#)

The development of our operating performance was also very dynamic in fiscal year 2017/18. This is especially clear in the increase in our operating earnings before taxes (EBT). We boosted this figure by 10%, to € 329 million, compared to the previous year. Furthermore, we generated an operating return on capital employed (ROCE) of 14.8%. Fiscal year 2017/18 was thus one of the most successful in our company history. Both operating parameters used for company management were comfortably within the range we outlined in our forecast. Therefore, we once again achieved results in the reporting year that are rare in companies in the basic materials industry.

Significant influencing factors for the strong operating result during fiscal year 2017/18 included positive effects from the efficiency improvement program and the good ongoing performance of the Hamburg and Pirdop sites. Regarding the first of these factors, we came one step closer in the fiscal year to our goal of achieving project success of € 200 million based on the market data of fiscal year 2014/15. After over € 30 million in the previous year, we generated roughly € 30 million through the project's improvement measures in 2017/18 as well. We are thus well within the project schedule we established. We anticipate project success of € 60 million for the coming fiscal year. The revenues from the program help us to compensate for possible shutdowns of our facilities, cost increases, and inflation.

Our concentrate throughput in the reporting year was about 4% higher than the already very good prior-year level, thus hitting a record high. Optimization measures implemented as part of our efficiency improvement program took full effect at our Bulgarian site for the first time in fiscal year 2017/18. However, a scheduled repair shutdown of Hamburg's anode furnace in Q3 and smaller unscheduled shutdowns in

*New Executive Board member  
Dr. Thomas Bünger will help shape all  
of the technical aspects of the company.*



Q4 2017/18 affected concentrate throughput. It should also be taken into account that Q1 2016/17 was influenced by a scheduled maintenance shutdown in Hamburg. Overall, the throughput of 2.52 million t is a level that we can be proud of.

For the most part, our various markets developed positively in fiscal year 2017/18. We benefited from comparatively high refining charges for copper scrap and from good availability. Revenues from the sale of sulfuric acid also gained momentum due to considerably higher sales prices. The central driver of this development was stable, high global demand. At the same time, individual smelter standstills in Asia limited supply. A higher metal gain with increased copper prices, significantly higher sales volumes for rod products, and higher sales volumes for flat rolled products contributed to the good result as well. Because a large portion of our income is based on the US dollar, we carry out extensive hedging. That being said, the US dollar, which was weaker during long stretches of fiscal year 2017/18, strained the operating result.

We want our shareholders to take part in our company's positive development. Subject to approval at the Aurubis AG Annual General Meeting on February 28, 2019, a dividend of € 1.55 per share will be paid out to the shareholders. This is a 7 % increase compared to the prior-year dividend.

At the end of March 2018, we signed a contract with Wieland-Werke AG regarding the sale of Segment Flat Rolled Products. This includes production facilities in the US, the Netherlands, Finland, and Germany. As of early December, approval of the sale by the European antitrust authorities was still pending. A final decision is expected in early 2019. In our view, Wieland-Werke AG would be a very good new owner for our Segment Flat Rolled Products.

We can be very pleased with our business performance in the reporting year, having achieved very good Group results and implemented a range of measures aimed at improving multiple company areas. This feat would not have been possible without our employees. At this juncture, the entire Executive Board would like to express its deepest gratitude to all employees for their hard work.

Our employees are the basis of our future success, which is why our accident KPI is a cause for concern. While in previous years, our accident rate either improved or remained the same, the past fiscal year saw our accident KPI worsen for the first time ever. We investigate all accidents thoroughly and will intensify our efforts to reduce them in the coming year. Our goal in this regard is reflected in our "Vision Zero," which envisages no accidents whatsoever.

*"In 2018/19, we want to  
forge ahead with the  
strategy we initiated.  
We consider ourselves well  
equipped for the task."*

**RAINER VERHOEVEN**



*Executive Board Chairman Jürgen Schachler believes Aurubis is well positioned, as its metals are crucial to the development of megatrends such as renewable energies and electric vehicles.*



*Rainer Verhoeven is proud that the past fiscal year was one of the most successful in the company's history.*

We would like to emphasize one special project in particular. We have always strived to put the excess energy generated by our production processes to meaningful use. In October 2018, for example, we joined forces with energy service provider energcity AG to launch Germany's largest industrial heat project and are now supplying the Hamburg neighborhood HafenCity East with industrial heat from Aurubis. This award-winning flagship project saves around 20,000 t of carbon dioxide emissions per year through the reuse of heat. It therefore clearly demonstrates that companies like us, despite operating in an energy-intensive industry, can contribute significantly toward energy transition. It also underscores Aurubis' deep commitment to sustainability.

We are currently working just as diligently on implementing our digital strategy, which includes measures to further harmonize software solutions, processes, and approaches – across all of the main international sites. We are also using models and artificial intelligence more, for instance to improve our raw material planning and system control. Our digitalization projects will enhance the efficiency and transparency of our processes while leveraging synergies, enabling us to develop more and more from a transaction-based company to a data-driven one.

In fiscal year 2018/19, we aim to continue building on the successes enjoyed in the reporting year. And we consider ourselves very well positioned in this regard. After all, our metals are required across an extremely wide range of applications, be it in products that enable digitalization, in materials that allow electricity to flow from renewable energies, or in energy storage systems for the transport technologies of tomorrow.

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

Sincerely,

Jürgen Schachler

Dr. Thomas Bünger

Rainer Verhoeven

## THE EXECUTIVE BOARD

**JÜRGEN SCHACHLER** After studying economics, Jürgen Schachler initially worked at the Deutsche Solvay Werke GmbH. Following additional positions in marketing and sales, he switched to what is now known as ArcelorMittal Luxembourg in 1993. He served as a member of the Management, Managing Director, and Chief Executive Officer in different companies that now belong to the Arcelor Mittal Group. Before starting at Aurubis, Jürgen Schachler was Chief Executive Officer of ArcelorMittal Europe, Flat Product, Business Division South West.

**DR. THOMAS BÜNGER** 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, he switched to Norddeutsche Affinerie (Aurubis since 2009), where he has served as a production engineer in the secondary smelter, a production manager in the primary smelter, Senior Vice President Technical Primary Copper, and, most recently, Senior Vice President Operations.

**RAINER VERHOEVEN** After studying business management, Rainer Verhoeven started his career with what is now thyssenkrupp AG. He initially worked in finance and accounting at company headquarters. Starting in 2005, he held various managerial positions for thyssenkrupp outside of Germany. Before joining Aurubis, Rainer Verhoeven was Chief Financial Officer of thyssenkrupp Electrical Steel GmbH.



## Executive Board

### Jürgen Schachler, Hamburg

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

### Dr. Stefan Boel, Hamme, Belgium, until July 31, 2018

Born: June 9, 1966, Belgian citizen  
 Executive Board member  
 Segment Flat Rolled Products  
 Appointed from April 19, 2008 until originally April 30, 2021

- » Aurubis Belgium NV/SA, Brussels, Belgium,  
 until April 30, 2018  
 Chairman of the Board of Directors

### Dr. Thomas Bünger, Lüneburg

Born: July 2, 1968, German citizen  
 Chief Operating 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, Duisburg

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

- » Aurubis Belgium NV/SA, Brussels, Belgium,  
 since May 1, 2018  
 Chairman of the Board of Directors

## Supervisory Board

### Prof. Dr. Fritz Vahrenholt, Hamburg

Chairman since March 1, 2018

Chairman of the Deutsche Wildtier Stiftung, Hamburg

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

### Renate Hold-Yilmaz, Hamburg<sup>2</sup>

Deputy Chairwoman

Commercial employee

Chairwoman of the Works Council of Aurubis AG, Hamburg

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

Chairman of the Supervisory Board until March 1, 2018

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
- » Ilseburger Grobblech GmbH, Ilseburg<sup>3</sup>  
Chairman of the Supervisory Board
- » 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
- » Mannesmannröhren-Werke GmbH, Mülheim/Ruhr<sup>3</sup>  
Chairman of the Supervisory Board  
until December 21, 2017
- » 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  
Chairman of the Supervisory Board
- » Öffentliche Sachversicherung Braunschweig, Braunschweig  
Member of the Supervisory Board
- » TÜV Nord AG, Hannover  
Member of the Supervisory Board

### Burkhard Becker, Hattingen, until March 1, 2018

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

- » EUROPIPE GmbH, Mülheim/Ruhr<sup>3</sup>  
Member of the Supervisory Board
- » KHS GmbH, Dortmund<sup>3</sup>  
Member of the Supervisory Board  
until October 31, 2017
- » Mannesmann Precision Tubes GmbH, Mülheim/Ruhr<sup>3</sup>  
Member of the Supervisory Board
- » Mannesmannröhren-Werke GmbH, Mülheim/Ruhr<sup>3</sup>  
Member of the Supervisory Board  
until December 21, 2017
- » Peiner Träger GmbH, Peine<sup>3</sup>  
Member of the Supervisory Board
- » Salzgitter Flachstahl GmbH, Salzgitter<sup>3</sup>  
Member of the Supervisory Board
- » Salzgitter Mannesmann Handel GmbH, Düsseldorf<sup>3</sup>  
Member of the Supervisory Board
- » Nord/LB Asset Management AG, Hannover  
Member of the Supervisory Board

### Andrea Bauer, Dortmund, since June 22, 2018

Member of the management of VDM Metals Holding GmbH, Werdohl

- » Commerzbank, Düsseldorf  
Member of the Regional Advisory Council West

### Dr. Bernd Drouven, Hamburg, until March 1, 2018

Former Aurubis AG Executive Board Chairman

- » NITHH gGmbH, Hamburg  
Chairman of the Supervisory Board

### Dr.-Ing. Joachim Faubel, Hamburg<sup>2</sup>, until March 1, 2018

Employee in Corporate Controlling at Aurubis AG

### Karl-Heinz Hamacher, Stolberg<sup>2</sup>, since March 1, 2018

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

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

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

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

**Prof. Dr. Karl Friedrich Jakob, Dinslaken, since March 1, 2018**

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, Hannover  
Member 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, Kummerfeld<sup>2</sup>**

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

- » ESSO Deutschland GmbH, Hamburg  
Member of the Supervisory Board
- » ExxonMobil Central Europe Holding GmbH, Hamburg  
Member of the Supervisory Board

**Dr. Stephan Krümmer, Hamburg, since March 1, 2018**

Currently no professional occupation

**Dr. Elke Lossin, Buchholz in der Nordheide<sup>2</sup>, since March 1, 2018**

Manager of the Analytical Laboratory at Aurubis AG, Hamburg

**Dr. Sandra Reich, Gräfelfing**

Director, NKI Institut für nachhaltige Kapitalanlagen GmbH, Munich

**Stefan Schmidt, Lüdinghausen<sup>2</sup>, since March 1, 2018**

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

**Edna Schöne, Hamburg, from March 1, 2018 to June 15, 2018**

Member of the Executive Board of Euler Hermes AG, Hamburg, responsible for federal government business and Legal & Compliance

**Dr. med. Dipl.-Chem. Thomas Schultek, Lübeck<sup>2</sup>, until March 1, 2018**

Head of Corporate Health Protection at Aurubis AG

- » Member of the Committee of Executive Representatives at Aurubis AG, Hamburg

**Rolf Schwertz, Datteln<sup>2</sup>, until March 1, 2018**

Bricklayer and boiler operator

Member of the Works Council of Aurubis AG, Lünen  
Chairman of the Central Representative Council of Employees with Disabilities of Aurubis AG, Lünen

**Melf Singer, Schwarzenbek<sup>2</sup>, since March 1, 2018**

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

**Ralf Winterfeldt, Hamburg<sup>2</sup>, until March 1, 2018**

Power electronics technician

Chairman of the General Works Council of Aurubis AG  
Deputy Chairman of the Works Council of Aurubis AG, Hamburg

**Dr.-Ing. Ernst J. Wortberg, Dortmund, until March 1, 2018**

Self-employed consultant

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

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

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

## Supervisory Board Committees until the Annual General Meeting (March 1, 2018)

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

Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)  
 Renate Hold-Yilmaz (Deputy Chairwoman)  
 Dr. Sandra Reich  
 Ralf Winterfeldt

### **Audit Committee**

Dr.-Ing. Ernst J. Wortberg (Chairman)  
 Burkhard Becker  
 Jan Koltze  
 Renate Hold-Yilmaz

### **Personnel Committee**

Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)  
 Dr. Bernd Drouven  
 Renate Hold-Yilmaz  
 Dr. med. Dipl.-Chem. Thomas Schultek  
 Prof. Dr. Fritz Vahrenholt  
 Ralf Winterfeldt

### **Nomination Committee**

Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)  
 Burkhard Becker  
 Prof. Dr. Fritz Vahrenholt  
 Dr.-Ing. Ernst J. Wortberg

### **Technology Committee**

Dr. Bernd Drouven (Chairman)  
 Prof. Dr.-Ing. Heinz Jörg Fuhrmann  
 Renate Hold-Yilmaz  
 Dr. med. Dipl.-Chem. Thomas Schultek

## Supervisory Board Committees after the Annual General Meeting (March 1, 2018)

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

Prof. Dr. Fritz Vahrenholt (Chairman)  
 Renate Hold-Yilmaz (Deputy Chairwoman)  
 Edna Schöne until June 15, 2018  
 Andrea Bauer since July 10, 2018  
 Melf Singer

### **Audit Committee**

Dr. Stephan Krümmmer (Chairman)  
 Prof. Dr.-Ing. Heinz Jörg Fuhrmann  
 Dr. Sandra Reich  
 Renate Hold-Yilmaz  
 Jan Koltze  
 Dr. Elke Lossin

### **Personnel Committee**

Prof. Dr. Fritz Vahrenholt (Chairman)  
 Prof. Dr.-Ing. Heinz Jörg Fuhrmann  
 Prof. Dr. Karl Friedrich Jakob  
 Renate Hold-Yilmaz  
 Karl-Heinz Hamacher  
 Stefan Schmidt

### **Nomination Committee**

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



# 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 183](#)) of € 329 million in fiscal year 2017/18. The accomplishments of the Executive Board, the management, and our employees across all departments deserve our acknowledgement once again.

During fiscal year 2017/18, significant influencing factors for the operating result during the reporting period included the high concentrate throughput at the Hamburg and Pirdop sites and the positive effects of the efficiency improvement program. At the Bulgarian site, efficiency enhancement measures took effect for the first time.

Aurubis also benefited from substantially higher refining charges for copper scrap and good availability, as well as from increased sulfuric acid revenues due to considerably higher sales prices.

A higher metal gain [Q Glossary, page 183](#) with increased copper prices, significantly higher sales volumes for rod products [Q Glossary, page 182](#), and higher sales volumes for flat rolled products also contributed to the good result.

The weaker US dollar negatively influenced the operating result.

## **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 2017/18 and performed the functions incumbent upon them 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 promptly and directly, 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.

The Executive Board informed the Supervisory Board regularly, promptly, and comprehensively about all of the issues relevant to the company, both verbally and by means of a written monthly report. These topics covered 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 182](#).

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 resolution proposals 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 six regular and four extraordinary Supervisory Board meetings in fiscal year 2017/18. Three resolutions were adopted by written consent in lieu of a meeting. The participation rate for the Supervisory Board members was about 96 %. The Executive Board was absent for part of five Supervisory Board meetings and for two full meetings.

Mr. Karl-Heinz Hamacher was absent from one regular and one extraordinary Supervisory Board meeting, as well as a Personnel Committee meeting, due to illness; Mr. Jan Koltze was excused from one Supervisory Board meeting; Ms. Edna Schöne was excused from two Supervisory Board meetings. The following tables show the members' participation rate for Supervisory Board meetings and for the respective committees, in the Supervisory Board compositions both before and after the Supervisory Board election on March 1, 2018:

### Supervisory Board composition until March 1, 2018

	Number of meetings attended	Percentage of meetings attended
<b>Supervisory Board members</b> 3 scheduled/ 2 extraordinary meetings		
Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)	5/5	100 %
Renate Hold-Yilmaz (Deputy Chairwoman)	5/5	100 %
Burkhard Becker	5/5	100 %
Dr. Bernd Drouven	5/5	100 %
Dr.-Ing. Joachim Faubel	5/5	100 %
Jan Koltze	4/5	80 %
Dr. Sandra Reich	5/5	100 %
Dr. med. Dipl.-Chem. Thomas Schultek	5/5	100 %
Rolf Schwertz	5/5	100 %
Prof. Dr. Fritz Vahrenholt	5/5	100 %
Ralf Winterfeldt	5/5	100 %
Dr.-Ing. Ernst J. Wortberg	5/5	100 %
<b>Personnel Committee</b> Did not meet		
<b>Audit Committee</b> 2 meetings		
Dr.-Ing. Ernst J. Wortberg (Chairman)	2/2	100 %
Burkhard Becker	2/2	100 %
Jan Koltze	2/2	100 %
Renate Hold-Yilmaz	2/2	100 %
<b>Nomination Committee</b> 2 meetings		
Prof. Dr.-Ing. Heinz Jörg Fuhrmann (Chairman)	2/2	100 %
Burkhard Becker	2/2	100 %
Prof. Dr. Fritz Vahrenholt	2/2	100 %
Dr.-Ing. Ernst J. Wortberg	2/2	100 %
<b>Technology Committee</b> Did not meet before March 1		
<b>Conciliation Committee</b> Did not meet during the fiscal year		

## Supervisory Board composition starting March 1, 2018

	Number of meetings attended	Percentage of meetings attended
<b>Supervisory Board members</b>	3 scheduled/ 2 extraordinary meetings	
Prof. Dr. Fritz Vahrenholt (Chairman)	5/5	100 %
Renate Hold-Yilmaz (Deputy Chairwoman)	5/5	100 %
Andrea Bauer (starting June 22, 2018)	2/2	100 %
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	5/5	100 %
Karl-Heinz Hamacher <sup>1</sup>	3/5	60 %
Prof. Dr. Karl Friedrich Jakob	5/5	100 %
Jan Koltze <sup>1</sup>	4/5	80 %
Dr. Stephan Krümmer	5/5	100 %
Dr. Elke Lossin	5/5	100 %
Dr. Sandra Reich	5/5	100 %
Stefan Schmidt	5/5	100 %
Edna Schöne (until June 15, 2018)	1/3	33 %
Melf Singer	5/5	100 %
<b>Personnel Committee</b>	3 meetings	
Prof. Dr. Fritz Vahrenholt (Chairman)	3/3	100 %
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	3/3	100 %
Karl-Heinz Hamacher <sup>1</sup>	2/3	66 %
Renate Hold-Yilmaz	3/3	100 %
Prof. Dr. Karl Friedrich Jakob	3/3	100 %
Stefan Schmidt	3/3	100 %
<b>Audit Committee</b>	2 meetings	
Dr. Stephan Krümmer (Chairman)	2/2	100 %
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	2/2	100 %
Renate Hold-Yilmaz	2/2	100 %
Jan Koltze	2/2	100 %
Dr. Elke Lossin	2/2	100 %
Dr. Sandra Reich	2/2	100 %

	Number of meetings attended	Percentage of meetings attended
<b>Nomination Committee</b>	1 meeting	
Prof. Dr. Fritz Vahrenholt (Chairman)	1/1	100 %
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	1/1	100 %
Prof. Dr. Karl Friedrich Jakob	1/1	100 %
Dr. Stephan Krümmer	1/1	100 %
<b>Conciliation Committee</b>	Did not meet during the fiscal year	

<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 materials markets, and the foreign exchange markets. The Supervisory Board also dealt with the financial situation and the status of capital expenditure. In particular, the Supervisory Board oversaw the planning of the large-scale project Future Complex Metallurgy (FCM) [Q Glossary, page 182](#) and the ONE Aurubis [Q Glossary, page 183](#) transformation program. Additional focuses included the sale of Segment Flat Rolled Products and the acquisition of the remaining shares of Deutsche Giessdraht GmbH. During the meetings, the Chairmen of the Personnel, Audit, and Nomination Committees reported on their work, the suggestions made, and the results achieved.

The new Executive Board compensation system was passed in the meeting on October 5, 2017. During the same meeting, the skills profile developed by the Personnel Committee for the composition of the Supervisory Board was explained and passed. The Supervisory Board approved the FCM project, as well as the investment plans and budget for 2017/18. The Executive Board presented the Group strategy to the Supervisory Board.

In the meeting on December 12, 2017, the Supervisory Board determined the compensation for the Executive Board members for fiscal year 2016/17 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 2016/17, including the Corporate Governance Report, and the preparations for the 2018 Annual General Meeting and the Supervisory Board election. The Chairman of the Nomination Committee reported on the recommendations for the election of the shareholder representatives and presented the candidates' experience and skills.

In the extraordinary meeting on January 16, 2018, consultations took place again regarding the candidates for the Supervisory Board election, and the final election recommendations were passed.

In the extraordinary meeting on February 9, 2018, the Supervisory Board discussed the sale of Segment Flat Rolled Products to Wieland-Werke AG.

In the meeting on February 28, 2018, the Executive Board reported on the current business and the FCM project. The Supervisory Board discussed the audit tendering process for the consolidated financial statements and separate financial statements. The Audit Committee Chairman explained the process of preparing the Non-Financial Report, which is required for the first time for fiscal year 2017/18. Furthermore, the Supervisory Board approved the sale of Segment Flat Rolled Products to Wieland-Werke AG.

The Supervisory Board, which was newly elected at the Annual General Meeting, and its committees were established in the meeting on March 1, 2018.

The extraordinary meeting on March 26, 2018 focused on the mutual agreement to end the appointment of Dr. Stefan Boel at the close of July 31, 2018.

In the meeting on June 13, 2018, the Supervisory Board discussed the status of new investments. It approved the scheduled, routine shutdown in Hamburg in 2019 and passed the new Sustainability Strategy.

In the extraordinary meeting on August 8, 2018, the Supervisory Board discussed the development of the global recycling business and a potential acquisition project.

In the meeting on September 11, 2018, Dr. Thomas Bünger was appointed Chief Operating Officer effective October 1, 2018. Due to the appointment, the amendment to the division of business responsibilities was passed at the same time. The Audit Committee Chairman explained the recommendations and preference regarding the selection of the future auditors. The Supervisory Board followed the preference of recommending to participants of the Annual General Meeting that Deloitte GmbH Wirtschaftsprüfungsgesellschaft be chosen as auditor of the financial statements. Moreover, the Supervisory Board passed two diversity concepts, one for the composition of the Executive Board and one for the composition of the Supervisory Board. Details are explained in the declaration on corporate governance, which is part of the Combined Management Report. Effective October 1, 2018, the Supervisory Board reduced the individual component for determining the one-year bonus of the new Executive Board compensation, to the benefit of the EBT component.

## COMMITTEES

The Supervisory Board set up a total of four committees to fulfill its duties in fiscal year 2017/18. 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 ON THE NOMINATION COMMITTEE

The Nomination Committee met three times during the reporting period. The members discussed the recommended candidates for the election of the shareholder representatives at the Annual General Meeting on March 1, 2018 and passed a resolution on June 13, 2018 to nominate Ms. Andrea Bauer for a temporary judicial appointment as successor to Ms. Edna Schöne, who stepped down from office due to personal reasons.

### WORK WITHIN THE PERSONNEL COMMITTEE

The Personnel Committee met three times during the reporting period. It addressed the cancellation of Dr. Stefan Boel's Executive Board contract and the search for a new Chief Operating Officer (COO). In the meeting on September 11, 2018, the Personnel Committee passed a resolution to recommend Dr. Thomas Bünger as Chief Operating Officer. Due to investor remarks regarding the new compensation system, the Personnel Committee reviewed the Executive Board compensation and recommended a reduction in the individual component to the benefit of the EBT component.

### WORK ON THE TECHNOLOGY COMMITTEE

After approving the FCM project, the Technology Committee did not meet in fiscal year 2017/18. The Committee was not formed again.

### 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 monitoring of the accounting process and the effectiveness of

the internal control and auditing system, as well as risk and compliance management in the Group. The Audit Committee recommended the auditing firm PricewaterhouseCoopers GmbH, Hamburg, to the Supervisory Board as auditor for fiscal year 2017/18. The Audit Committee authorized the Executive Board to also commission the auditors with additional non-audit services to a limited extent starting October 1, 2017.

The Audit Committee also focused on the first audit tendering process for the consolidated and separate financial statements in accordance with Regulation (EU) No. 537/2014 and presented the recommendation and preference mentioned above to the Supervisory Board.

The Audit Committee Chairmen, Dr. Ernst Wortberg (Chairman until March 1, 2018) and Dr. Stephan Krümmer, have special expertise and experience in the application of accounting principles and internal control procedures. They are independent and not former members of the company's Executive Board.

In addition to appointing the auditors and agreeing on the auditing fee, the Committee defined the focal areas of the annual 2017/18 audit. These were as follows:

- » A review of the balance sheet presentation of the discontinued operations of Segment Flat Rolled Products
- » The introduction of a new chart of accounts at Aurubis AG
- » Notes regarding the effect of new standards on the IFRS consolidated financial statements

The last focal area is also an audit focus of the German Financial Reporting Enforcement Panel for 2018.

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. In this regard, the designated 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, 2018. Following a detailed discussion, 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 German Corporate Governance Code, in the declaration and report on corporate governance, which are both part of the Management Report.

On November 5, 2018, 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**

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, 2017 to September 30, 2018, and the Combined Management Report for the company and the Group have been audited by the auditing firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, in accordance with the resolution passed at the company's Annual General Meeting on March 1, 2018 and the subsequent appointment of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as auditors by the Supervisory Board. The auditor responsible was Mr. Claus Brandt, who audited the Group and the company for the second time. The auditors have issued an unqualified auditors' report. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, has been the appointed auditing firm since fiscal year 2008/09. Its audit in fiscal year 2017/18 is its tenth audit for Aurubis.

The meeting of the Supervisory Board to approve the financial statements was held on December 10, 2018. 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

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

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

Effective January 1, 2018, Mr. Rainer Verhoeven was appointed as the new Chief Financial Officer. Dr. Stefan Boel left the company on July 31, 2018 by mutual agreement. Dr. Thomas Bünger was appointed Chief Operating Officer effective October 1, 2018.

Mr. Burkhard Becker, Dr. Bernd Drouven, Dr. Joachim Faubel, Dr. Thomas Schultek, Mr. Rolf Schwertz, and Mr. Ralf Winterfeldt left the Supervisory Board at the end of the Annual General Meeting on March 1, 2018.

We would like to thank these Supervisory Board members and Dr. Stefan Boel for their many years of successful work for the benefit of the Aurubis Group.

The participants of the Annual General Meeting elected Prof. Karl Friedrich Jakob, Dr. Stephan Krümmner, and Ms. Edna Schöne to the Supervisory Board for the first time. The employees elected Mr. Karl-Heinz Hamacher, Dr. Elke Lossin, Mr. Stefan Schmidt, and Mr. Melf Singer to the Supervisory Board for the first time.

Edna Schöne stepped down on June 15, 2018 for personal reasons. At the recommendation of the Nomination Committee and the request of the Executive Board, the District Court of Hamburg appointed Ms. Andrea Bauer as a new Supervisory Board member effective June 22, 2018. The court appointment expires at the close of the next Annual General Meeting. At the Annual General Meeting, the Supervisory Board will propose that Ms. Andrea Bauer be elected to the Supervisory Board as a shareholder representative for the period until the close of the Annual General Meeting during which the decision on the approval of the Supervisory Board members for fiscal year 2021/22 (October 1, 2021 to September 30, 2022) is to be made. We would like to thank Ms. Edna Schöne for her commitment.

Hamburg, December 2018

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 German Corporate Governance Code (DGCK), 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), 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 (DGCK) published by the Federal Ministry of Justice 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 2017/18 and, on November 5, 2018, 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, 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 6, 2017, 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:

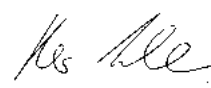
- » Section 4.2.3 (2) sentence 3 and (4)  
(Executive Board remuneration)  
For new Executive Board contracts entered into as from October 1, 2017, the compensation structure for the Executive Board will generally include variable components whose basis for calculation is based on several years and is essentially forward-looking, as well as a cap on severance pay. However, this does not apply to Mr. Schachler's contract. In this respect, prior standards apply (grandfathering).
- » 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 5, 2018

For the Executive Board



Jürgen Schachler  
Chairman



Rainer Verhoeven  
Member

For the Supervisory Board



Prof. Dr. Fritz Vahrenholt  
Chairman"

## DISCLOSURES ON RELEVANT CORPORATE GOVERNANCE PRACTICES

For Aurubis AG, the applicable legal regulations, especially stock market law, co-determination law, capital market law, the Articles of Association, the German Corporate Governance Code (DGCK), 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 in the "Responsibility" section. 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 cooperation between Aurubis AG's Executive Board members are stated in the rules of procedure for the Executive Board, which are 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 consisted of two members at the start of the fiscal year (Mr. Jürgen Schachler as Chairman and

Dr. Stefan Boel). Mr. Rainer Verhoeven was appointed as the new Chief Financial Officer effective January 1, 2018. Dr. Stefan Boel left the company on July 30, 2018 by amicable and mutual agreement with the Supervisory Board. Dr. Thomas Büniger was appointed Chief Operating Officer on October 1, 2018.

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 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. It should be considered that there have been only two personnel changes in the Executive Board since the 25 % target was established on June 7, 2017 (the appointments of Mr. Rainer Verhoeven and Dr. Thomas Büniger). With Mr. Verhoeven's appointment, the candidate who in the Supervisory Board's opinion was best qualified for the position of Chief Financial Officer was ultimately chosen. There were no female applicants for the position of Chief Operating Officer.

The Supervisory Board's efforts to ensure that women are adequately represented among its ranks 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, 2018), the proportion of women was 11.8 % (previous year: 19.4 %) for the first management level below the Executive Board and 20 % (previous year: 20.4 %) 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.

On October 1, 2018, the proportion of women was 23.8% for the first management level and 16 % for the second management level. This is due in part to the fact that the appointment of the Chief Operating Officer changed the rules of procedure, including the distribution of responsibilities among the Executive Board members.

In the first and second management levels under the Executive Board, there were limited open positions in the reporting period. For these, men and women were considered equally. The vacant positions were ultimately filled by the most suitable applicants.

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 2017/18.

## 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 their 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. The representatives of the shareholders and the employees 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 co-determination 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 Co-determination 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. 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 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 comprise

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 30 % men 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 CVs, 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. Edna Schöne (until

her resignation from office on June 15, 2018), Ms. Andrea Bauer (starting June 22, 2018), and Prof. Dr. Fritz Vahrenholt were seen as independent shareholder members during fiscal year 2017/18 pursuant to Section 5.4.2 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 four committees for its members to prepare and complement its work: the Personnel Committee, the Audit Committee, the Nomination Committee, 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 only has representatives of the shareholders 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.

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

The shareholders of Aurubis AG exercise their co-determination 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. The German Stock Corporation Act (AktG) stipulates that an extraordinary General Meeting can be convened in special cases.

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 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 2017/18 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 whistleblower 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.

There were no directors' dealings subject to disclosure in fiscal year 2017/18.

#### **FINANCIAL REPORTING AND ANNUAL AUDIT**

Aurubis AG prepares its consolidated financial statements and 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 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 2017/18. 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. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, was appointed auditor of the 2017/18 consolidated financial statements and the Combined Management Report, as well as the 2017/18 HGB financial statements of Aurubis AG. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, has been the appointed auditor since fiscal year 2008/09. The fiscal year 2017/18 audit therefore marked the tenth time it had audited Aurubis.

The responsible auditor for fiscal year 2017/18 was Mr. Claus Brandt, who audited the Group and the company for the second time. Before submitting the proposal for the election of the auditors, the Supervisory Board obtained the declaration from PricewaterhouseCoopers 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; 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).

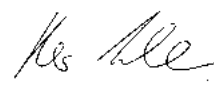
Furthermore, it was also agreed with the auditors that they would inform the Supervisory Board without delay about any possible grounds for exclusion or lack of impartiality and about the main findings and incidents arising during the audit.

Hamburg, December 2018

For the Executive Board



Jürgen Schachler  
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 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) on March 1, 2018.

Because of 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.

In light of the fundamental revision of the German Corporate Governance Code (DCGK) and the German draft bill on transposing the second EU Shareholder Rights Directive (EU 2017/828, ARUG 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 EU 2017/828 include

extensive regulations on compensation for the advisory bodies of exchange-listed companies. As of now, both the German Corporate Governance Code and the German law on transposing EU 2017/828 are expected to be passed in summer 2019.

Because the compensation system for Executive Board members will have to be reviewed, adjusted, and presented again at the Annual General Meeting anyway due to these developments, the company will refrain from taking a vote on the compensation system at the 2019 Annual General Meeting.

The new compensation system applies to Chief Financial Officer Mr. Rainer Verhoeven and to Chief Operating Officer Dr. Thomas Büniger, the latter of whom was appointed on October 1, 2018. For the Executive Board members Mr. Jürgen Schachler (until June 30, 2019) and Dr. Stefan Boel (Executive Board member until July 31, 2018), the old compensation system applies and will initially continue to apply.

### 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 amounts to € 600,000 for the Executive Board Chairman and € 420,000 for ordinary Executive Board members, and is paid out monthly in equal installments.

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.

Mr. Schachler and Dr. Boel receive defined contribution pension plans from the company. Annual contributions of € 140,000 for Mr. Schachler and € 100,000 for Dr. Boel are/were paid to an insurance company.

Both of these Executive Board members additionally have a defined contribution company pension plan. The pension plan is designed as a capital commitment. At the end of every fiscal year, € 120,000 for the Chief Executive Officer and € 80,000 for each ordinary Executive Board member is paid into liability insurances.

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.

#### 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) [Q Glossary, page 183](#) 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 Chief Executive Officer and € 500,000 for each ordinary Executive Board member.

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 Chief Executive Officer and € 175,000 for each ordinary Executive Board member.

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

#### Premature termination

The employment contracts for the Executive Board members do 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 Chief Financial Officer Mr. Verhoeven and to Chief Operating Officer Dr. Büniger, the latter of whom was appointed on October 1, 2018.

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 fixed compensation, pension plans, and fringe benefits.

The annual fixed compensation amounts to € 420,000 for Mr. Verhoeven and is paid out monthly in equal installments.

The pension plans have not changed in comparison with the old compensation system.

Mr. Verhoeven receives an entitlement for the company pension plan in the form of a pension commitment. Aurubis AG's contribution amounts to € 100,000 per year. The contributions are paid into liability insurances.

Mr. Verhoeven also has a defined contribution company pension plan in the form of a capital commitment. Aurubis AG's contribution amounts to € 80,000 for him per year. Mr. Verhoeven can use the accumulated capital after reaching the age of 62 at the earliest – however, not before ceasing to be employed by the company.

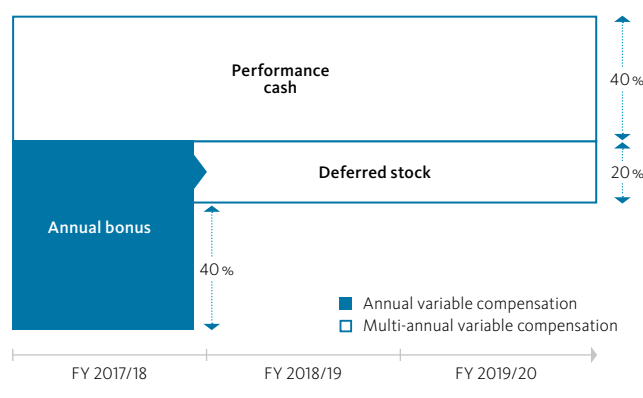
Additionally, Mr. Verhoeven receives fringe benefits in the form of benefits in kind, which primarily consist of insurance premiums and company car use, and are assessed according to tax guidelines.

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 2017/18. The Supervisory Board most recently granted one-time special compensation in fiscal year 2015/16 for additional interim duties performed in the Executive Board by Dr. Boel and Mr. Faust, the latter of whom served as Executive Board Spokesman 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.

### Variable compensation



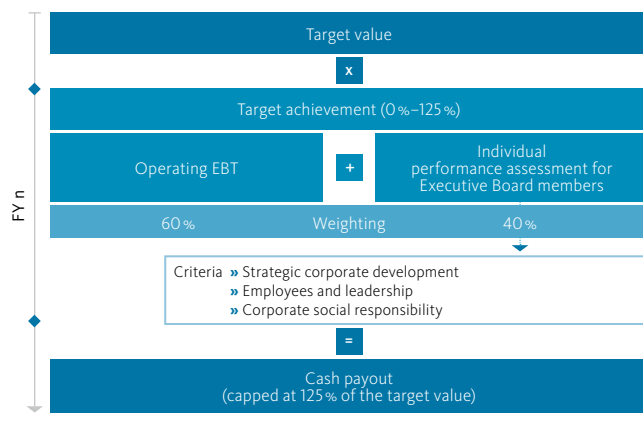
### Annual bonus

Two-thirds of the annual variable compensation (the annual bonus) is paid out after the end of the fiscal year and amounts to € 272,000 (max. € 340,000) for Mr. Verhoeven 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.

Until September 30, 2018, the annual bonus was calculated with a weighting of 50 % according to the target set for the fiscal year for the operating EBT components, and a weighting of 50 % according to the assessment of the individual performance for the respective fiscal year, both multiplied by the target value defined in the Executive Board contract.

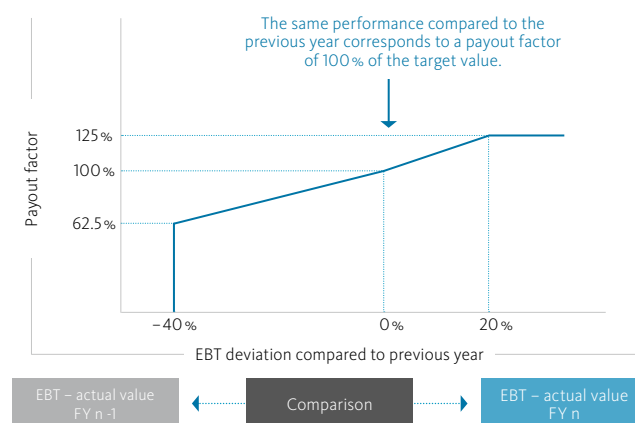
Starting October 1, 2018, the annual bonus for Mr. Verhoeven is calculated with a weighting of 60 % according to the target set for the fiscal year for the operating EBT components, and a weighting of 40 % according to the assessment of the Executive Board member's individual performance for the respective fiscal year, both multiplied by the target value defined in the Executive Board contract.

### Annual bonus operating principle



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 minus 40% compared to the previous year, the minimum value of 62.5% target achievement is reached. 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 of 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. Currently, strategic company development, employees and leadership, and corporate social responsibility are designated as criteria for assessing individual performance. The Supervisory Board can set the degree of target attainment between 0% and 125%. Furthermore, the Supervisory Board can, at its discretion, reduce the annual bonus in the event of extraordinary, unforeseeable developments (Section 87 (1) sentence 3 (second half of the sentence) of the German Stock Corporation Act).

The annual bonus stipulates a target value cap of 125% for Mr. Verhoeven. Therefore, the annual bonus can amount to a maximum of € 510,000.

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.

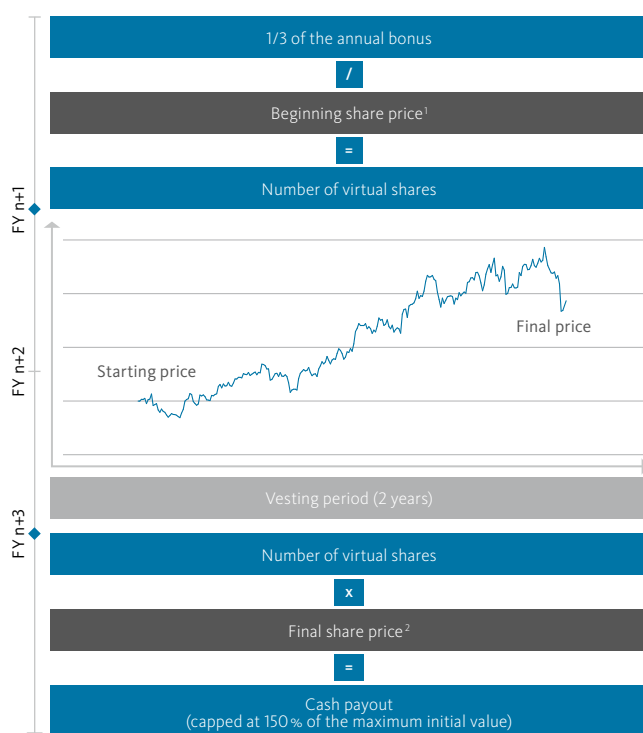


## Deferred stock

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 € 136,000 for Mr. Verhoeven 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 for Mr. Verhoeven is limited to € 255,000.

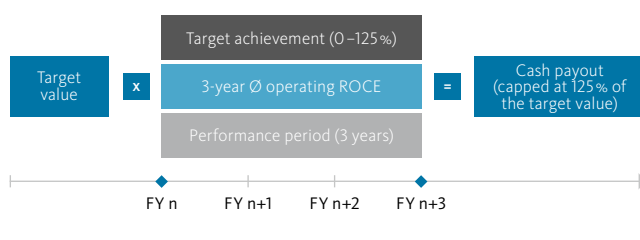
## Performance Cash Plan

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 € 272,000 for Mr. Verhoeven. The calculated amount to be paid out is limited to 125 % of the target and can therefore reach a maximum of € 340,000. 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).

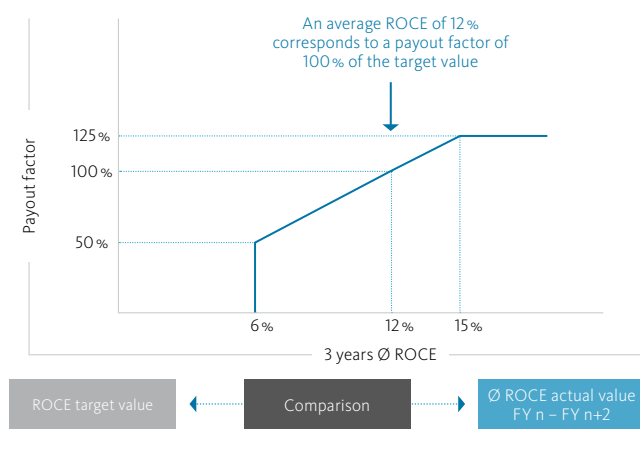
In order to determine the final target achievement for the Performance Cash Plan, the average operating ROCE achieved during the period (calculated annually after the respective fiscal years) is calculated at the end of the three-year period. The Supervisory Board determines an amount for 100 % target 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 period for the fiscal years from 2017/18 up to and including 2019/20 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 2018/19 up to and including 2020/21. 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 of 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 for Mr. Verhoeven is limited to an amount of € 1,355,000. Fringe benefits and benefit contributions from pension plans 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 2017/18

In total, compensation for active Executive Board members for activities in fiscal year 2017/18 amounted to € 3,812,280, including pension expenses (€ 570,000) and expenses for the virtual stock deferral plan (€ 93,149).

Dr. Boel left the company at the close of July 31, 2018 by amicable and mutual agreement with the Supervisory Board. The termination agreement includes the payment of the fixed and variable income components until July 31, 2018. The variable components will be paid out in January 2019. Moreover, Dr. Boel will receive a one-time gross payment of € 1,600,000. The contributions to the defined contribution pension commitment and the defined contribution company pension plan for Dr. Boel were paid proportionally until July 31, 2018.

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 € 570,000. This amount comprises contributions to an external pension fund.

Former members of the Executive Board and their surviving dependents received a total of € 2,246,373 in fiscal year 2017/18, while € 27,403,439 (in accordance with HGB) and € 32,259,232 (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
Jürgen Schachler Executive Board Chairman since July 1, 2016	2016/17	570,000	19,586	589,586
	<b>2017/18</b>	<b>600,000</b>	<b>22,474</b>	<b>622,474</b>
	Min.	600,000	22,474	622,474
	Max.	600,000	22,474	622,474
Dr. Stefan Boel <sup>2</sup> Executive Board member from April 19, 2008 to July 31, 2018	2016/17	399,000	18,389	417,389
	<b>2017/18</b>	<b>350,000</b>	<b>15,651</b>	<b>365,651</b>
	Min.	350,000	15,651	365,651
	Max.	350,000	15,651	365,651
Rainer Verhoeven <sup>3</sup> Executive Board member since January 1, 2018	2016/17			0
	<b>2017/18</b>	<b>315,000</b>	<b>10,754</b>	<b>325,754</b>
	Min.	315,000	10,754	325,754
	Max.	315,000	10,754	325,754
<b>Total</b>	<b>2016/17</b>	<b>969,000</b>	<b>37,975</b>	<b>1,006,975</b>
	<b>2017/18</b>	<b>1,265,000</b>	<b>48,879</b>	<b>1,313,879</b>
	Min.	1,265,000	48,879	1,313,879
	Max.	1,265,000	48,879	1,313,879

## Inflow

in €		Fixed compensation	Fringe benefits	Total
Jürgen Schachler Executive Board Chairman since July 1, 2016	2016/17	570,000	19,586	589,586
	<b>2017/18</b>	<b>600,000</b>	<b>22,474</b>	<b>622,474</b>
Dr. Stefan Boel Executive Board member from April 19, 2008 to July 31, 2018	2016/17	399,000	18,389	417,389
	<b>2017/18</b>	<b>350,000</b>	<b>15,651</b>	<b>365,651</b>
Rainer Verhoeven Executive Board member since January 1, 2018	2016/17	0	0	0
	<b>2017/18<sup>2</sup></b>	<b>315,000</b>	<b>10,754</b>	<b>325,754</b>
<b>Total</b>	<b>2016/17</b>	<b>969,000</b>	<b>37,975</b>	<b>1,006,975</b>
	<b>2017/18</b>	<b>1,265,000</b>	<b>48,879</b>	<b>1,313,879</b>

<sup>1</sup> Pension expenses in accordance with the German Commercial Code (HGB) amounted to € 150,000 (previous year: € 180,000) for Dr. Stefan Boel, € 160,000 for Rainer Verhoeven, and € 260,000 (previous year: € 260,000) for Jürgen Schachler.

<sup>2</sup> Refers to compensation for the time period from October 1, 2017 to July 31, 2018.

<sup>3</sup> Refers to compensation for the time period from January 1, 2018 to September 30, 2018.

<sup>4</sup> The fair value based on planning data amounts to € 93,149. The subscription right for deferred stock in 2017/18 applies to 1,883 virtual shares.

Dr. Boel received severance pay of € 1,600,000.

The variable multiannual compensation for fiscal year 2017/18 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 2015/16, 2016/17, and 2017/18.

The average actual EBT is € 280 million and represents a target achievement of 75 %.

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
475,000	686,850			1,751,436	260,000	2,011,436
500,000	504,750			1,627,224	260,000	1,862,224
250,000	0			872,474	260,000	1,132,474
500,000	750,000			1,872,474	260,000	2,132,474
332,500	457,900			1,207,789	180,000	1,387,789
291,667	280,417			937,735	150,000	1,087,735
145,834	0			511,485	150,000	661,485
291,667	416,667			1,073,985	150,000	1,223,985
				0		0
199,594		99,797	240,720	865,865	160,000	1,025,864
0		0	0	325,754	160,000	485,754
255,000		191,250	255,000	1,027,004	160,000	1,187,004
807,500	1,144,750			2,959,225	440,000	3,399,225
991,261	841,250	99,797	240,720	3,430,824	570,000	4,000,824
395,834	0	0	0	1,709,713	570,000	2,279,713
1,046,667	1,166,667	191,250	255,000	3,973,463	570,000	4,543,463

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
475,000	686,850			1,751,436	260,000	2,011,436
475,000	559,500			1,656,974	260,000	1,916,974
299,250	460,750			1,177,389	180,000	1,357,389
262,500	310,833			938,984	150,000	1,088,984
0	0			0	0	0
227,419	0	0 <sup>4</sup>	0	553,173	160,000	713,173
774,250	1,147,600			2,928,825	440,000	3,368,825
964,919	870,333			3,149,131	570,000	3,719,131

## COMPENSATION FOR THE SUPERVISORY BOARD

## Supervisory Board compensation for fiscal year 2017/18

in €

Name		Fixed compensation	Compensation for committee membership	Attendance fees	Total
Prof. Dr. Fritz Vahrenholt	2016/17	75,000	22,500	11,000	108,500
	<b>2017/18</b>	<b>162,945</b>	<b>44,489</b>	<b>17,000</b>	<b>224,434</b>
Renate Hold-Yilmaz	2016/17	150,000	25,000	14,000	189,000
	<b>2017/18</b>	<b>150,000</b>	<b>25,000</b>	<b>18,000</b>	<b>193,000</b>
Andrea Bauer	2016/17				
	<b>2017/18</b>	<b>20,753</b>	<b>1,706</b>	<b>2,000</b>	<b>24,459</b>
Burkhard Becker	2016/17	75,000	22,500	11,000	108,500
	<b>2017/18</b>	<b>31,233</b>	<b>9,370</b>	<b>10,000</b>	<b>50,603</b>
Dr. Bernd Drouven	2016/17	75,000	30,000	11,000	116,000
	<b>2017/18</b>	<b>31,233</b>	<b>12,494</b>	<b>6,000</b>	<b>49,727</b>
Dr.-Ing. Joachim Faubel	2016/17	75,000	0	5,000	80,000
	<b>2017/18</b>	<b>31,233</b>	<b>0</b>	<b>6,000</b>	<b>37,233</b>
Prof. Dr.-Ing. Heinz Jörg Fuhrmann	2016/17	225,000	50,000	12,000	287,000
	<b>2017/18</b>	<b>137,466</b>	<b>46,911</b>	<b>19,000</b>	<b>203,377</b>
Karl-Heinz Hamacher	2016/17				
	<b>2017/18</b>	<b>43,973</b>	<b>8,795</b>	<b>5,000</b>	<b>57,768</b>
Prof. Dr. Karl Friedrich Jakob	2016/17				
	<b>2017/18</b>	<b>43,973</b>	<b>13,192</b>	<b>9,000</b>	<b>66,165</b>
Jan Koltze	2016/17	75,000	15,000	9,000	99,000
	<b>2017/18</b>	<b>75,000</b>	<b>15,000</b>	<b>14,000</b>	<b>104,000</b>
Dr. Stephan Krümmner	2016/17				
	<b>2017/18</b>	<b>43,973</b>	<b>21,986</b>	<b>8,000</b>	<b>73,959</b>
Dr. Elke Lossin	2016/17				
	<b>2017/18</b>	<b>43,973</b>	<b>8,795</b>	<b>7,000</b>	<b>59,768</b>
Dr. Sandra Reich	2016/17	75,000	7,500	5,000	87,500
	<b>2017/18</b>	<b>75,000</b>	<b>11,898</b>	<b>13,000</b>	<b>99,898</b>
Stefan Schmidt	2016/17				
	<b>2017/18</b>	<b>43,973</b>	<b>8,795</b>	<b>8,000</b>	<b>60,768</b>
Edna Schöne	2016/17				
	<b>2017/18</b>	<b>21,986</b>	<b>2,199</b>	<b>1,000</b>	<b>25,185</b>
Dr. med. Dipl.-Chem. Thomas Schultek	2016/17	75,000	22,500	11,000	108,500
	<b>2017/18</b>	<b>31,233</b>	<b>9,370</b>	<b>6,000</b>	<b>46,603</b>
Rolf Schwertz	2016/17	75,000	0	5,000	80,000
	<b>2017/18</b>	<b>31,233</b>	<b>0</b>	<b>6,000</b>	<b>37,233</b>
Melf Singer	2016/17				
	<b>2017/18</b>	<b>43,973</b>	<b>4,397</b>	<b>5,000</b>	<b>53,370</b>
Ralf Winterfeldt	2016/17	75,000	22,500	8,000	105,500
	<b>2017/18</b>	<b>31,233</b>	<b>9,370</b>	<b>6,000</b>	<b>46,603</b>
Dr.-Ing. Ernst J. Wortberg	2016/17	75,000	37,500	11,000	123,500
	<b>2017/18</b>	<b>31,233</b>	<b>15,616</b>	<b>10,000</b>	<b>56,849</b>
<b>Total</b>	<b>2016/17</b>	<b>1,125,000</b>	<b>255,000</b>	<b>113,000</b>	<b>1,493,000</b>
	<b>2017/18</b>	<b>1,125,619</b>	<b>269,383</b>	<b>176,000</b>	<b>1,571,002</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 12 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 of € 15,000 per 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 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 € 1,571,002. [Q Supervisory Board compensation for fiscal year 2017/18, page 32](#)

Hamburg, December 10, 2018

For the Executive Board



Jürgen Schachler  
Chairman



Rainer Verhoeven  
Member

The Supervisory Board



Prof. Dr. Fritz Vahrenholt  
Chairman



# Aurubis Shares on the Capital Market

## STOCK MARKETS INFLUENCED BY UNCERTAINTIES FOLLOWING A GOOD START

The upward trend on the stock markets continued at the beginning of fiscal year 2017/18. The DAX reached a record high of 13,525 points in early November. However, a sharp increase in the euro rate due to strong economic data in the euro zone, as well as profit taking, thwarted the year-end rally. At the turn of the year, the DAX closed at 12,918 points but then hit a new all-time high of 13,596 points. The DAX wasn't able to maintain this level for long, though. Rising interest rates in the US and a further increase in the euro rate, coupled with fears of negative economic impacts of a global trade conflict, led to restraint on the stock markets. On March 26, 2018, the DAX slipped to 11,787 points, the lowest level since February 2017. In the months thereafter, the international trade conflict in particular set the tone on the stock markets. A weakening euro rate and tailwinds from Wall Street pushed the DAX above the 13,000-point mark once more in May, however. At fiscal year-end, a sense of nervousness grew due not only to the lingering trade dispute but also to currency risks in certain emerging market countries and fears of a faster interest rate hike by the US Federal Reserve. At the start of September, the DAX once again fell below the 12,000-point mark, slightly recovering to 12,247 points at the close of September 28, 2018.

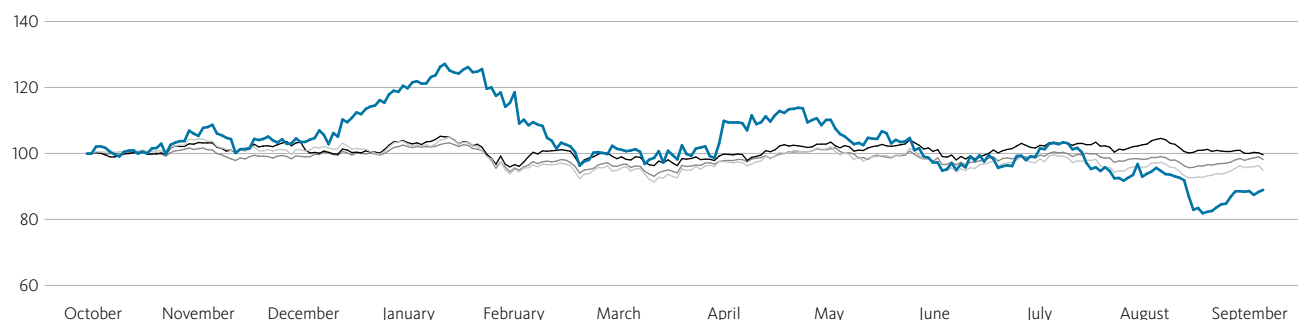
## AURUBIS SHARES RECORD A VOLATILE TREND

The development of the Aurubis shares was very volatile during the fiscal year. After the new strategy was announced together with the release of the fiscal year 2016/17 results on December 13, 2017, the Aurubis shares took flight. Following the news on January 23, 2018 that Aurubis would acquire the Codelco shares in Deutsche Giessdraht GmbH, Emmerich, Aurubis shares reached a new all-time high of € 86.80 in the course of the day. The shares then lost ground in a volatile market environment in February despite very good quarterly results and were quoted at € 65.26 the day after the Annual General Meeting (ex dividend March 2, 2018). The price recovered again to € 77.12 on May 11, 2018 after positive analyst assessments and the ad hoc announcement on April 26, 2018 regarding the forecast for fiscal year 2017/18, which was based on the very good half-year result. In the subsequent months, Aurubis shares were unable to avoid the general uncertainty on the capital markets resulting primarily from the conflicts between the US and its trading partners. Under the influence of share price adjustments by analysts following Capital Market Day in Bulgaria, the share price hit the year's low of € 55.44 on September 11, 2018. In a more positive market environment, the shares recovered slightly to € 60.24 at the close of the fiscal year on September 28, 2018. However, their performance was -12 % for the fiscal year

## Aurubis share performance compared with the MDAX, DAX, and STOXX Europe 600 from October 1, 2017 to September 30, 2018

indexed to 100 %

— Aurubis shares (Xetra) — MDAX — DAX — STOXX Europe 600



overall and trailed the similarly negative development of the DAX (–5%), the MDAX (0%), and the STOXX Europe 600 (–1%). Market capitalization was € 2,708 million as at fiscal year-end (previous year: € 3,081 million).

Aurubis shares remain an attractive long-term investment. Shareholders who invested € 1,000 at the end of September 2008 and reinvested the dividends they received (without a tax deduction) into Aurubis shares had a portfolio value of € 2,753 on September 28, 2018. This is a 171% increase in value or a total annual return of 10.05%.

### TRADING VOLUME OF AURUBIS SHARES EXCEEDS PREVIOUS YEAR

The volatility in the Aurubis share price was also evident in the daily average Xetra trading volume, which, at 217,736 shares, exceeded the prior-year level (200,869 shares).

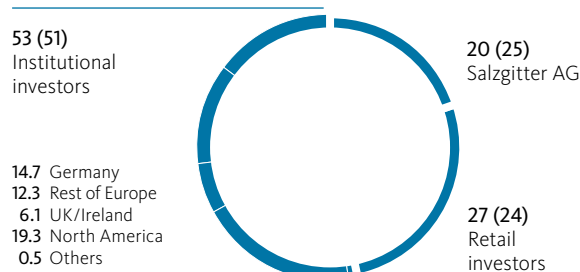
### AURUBIS HAS A WELL-DIVERSIFIED SHAREHOLDER STRUCTURE

Aurubis maintained its well-diversified shareholder structure in fiscal year 2017/18. An analysis carried out in September 2018 indicated that the proportion of institutional investors rose slightly to 53% (previous year: 51%). Increases were recorded

in the rest of Europe (outside of Germany) and in North America in particular. The majority of institutional investors are located outside of Germany. The proportion of shares held by retail investors increased to 27% (previous year: 24%). In the course of repaying an exchangeable bond issued for Aurubis shares, Salzgitter AG reduced its shareholdings from 25.00% to 15.75% according to the voting rights notification on October 27, 2017. On April 11, 2018, Salzgitter AG announced that it had increased its shareholdings to 20%.

### Shareholder structure

in % (prior-year figures in parentheses)



Prior-year figures have been adjusted.

### Key figures of Aurubis shares

		2017/18 <sup>2</sup>	2016/17 <sup>2</sup>	2015/16 <sup>2</sup>	2014/15 <sup>2</sup>	2013/14 <sup>2</sup>
Closing price as at fiscal year-end <sup>1</sup>	in €	60.24	68.54	49.88	56.90	39.16
Year high (close) <sup>1</sup>	in €	86.12	78.47	61.68	59.68	49.49
Year low (close) <sup>1</sup>	in €	55.44	46.79	37.54	36.43	36.19
Market capitalization as at fiscal year-end <sup>1</sup>	in € million	2,708	3,081	2,242	2,558	1,761
Number of shares as at fiscal year-end	in thousand units	44,956.7	44,956.7	44,956.7	44,956.7	44,956.7
Dividend or recommended dividend	in €	1.55	1.45	1.25	1.35	1.00
Payout ratio <sup>3</sup>	in %	26	28	34	24	45
Dividend yield	in %	2.6	2.1	2.5	2.4	2.6
Operating earnings per share	in €	5.87	5.21	3.64	5.68	2.17
Operating price/earnings ratio as at fiscal year-end		10.26	13.16	13.70	10.02	18.05

<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 and from copper price-related measurement effects on inventories, as well as from purchase price allocation impacts, primarily on property, plant, and equipment, commencing from fiscal year 2010/11 onwards.

<sup>3</sup> In fiscal year 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.

### EXECUTIVE BOARD AND SUPERVISORY BOARD SUGGEST A DIVIDEND OF € 1.55

The express objective of our dividend policy is to involve the shareholders in the company's success adequately and consistently. The Executive Board and Supervisory Board will recommend a dividend of € 1.55 at the Annual General Meeting on February 28, 2019. This corresponds to a payout ratio of 26% of the operating consolidated net income (previous year: 28%). The dividend yield based on the closing price as at September 28, 2018 amounts to 2.6% (previous year: 2.1%).

### INTENSIVE DIALOGUE WITH THE CAPITAL MARKETS

In fiscal year 2017/18, our new strategy, the volatile market environment, the varying developments on our sub-markets, and the company's resulting earnings trend led to a high demand for information among capital market participants. We therefore intensified our proactive, timely, and targeted communication with retail and institutional investors and informed them via different channels about developments in the Aurubis Group's business and potential. Dialogue with institutional investors took high priority again during the fiscal year. In addition to the business situation, the Executive Board and the Investor Relations department explained the new 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, Pirdop, and Olen sites.

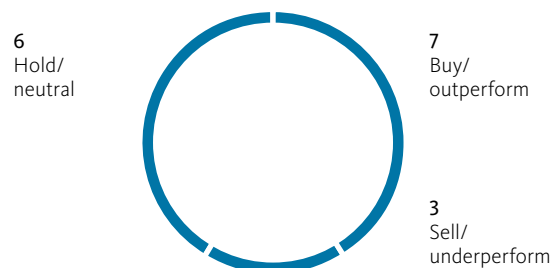
In September 2018, analysts and institutional investors accepted our invitation to the Aurubis Capital Market Day at Aurubis Bulgaria in Pirdop. In expert presentations, discussions with the management, and a plant tour of one of Europe's most state-of-the-art copper smelters, the participants received detailed information about the status of the strategy and the Aurubis Group's future orientation, as well as a direct glimpse into our operating processes. Audio recordings and webcasts from Capital Market Day are available on our website.

We informed the capital markets about certain developments with ad hoc notifications. These comprised the announcement on February 12, 2018 about the signing of the term sheet with Wieland-Werke AG regarding the sale of Segment FRP and the announcement on April 26, 2018 about the increase in the forecast for the entire fiscal year.

A total of 19 international financial analysts regularly published recommendations and analyses about Aurubis' shares during fiscal year 2017/18. In the course of the fiscal year, coverage by Berenberg, Deutsche Bank and Credit Suisse was suspended due to changes in analysts. The ratings were as follows at the end of the fiscal year:

#### Overview of analyst recommendations

Number as at September 30, 2018



Communicating with retail investors is another important focus of Investor Relations work. At an event in Hamburg, we gave a number of retail shareholders the opportunity to learn more about the Group's current development and economic environment in discussions with the management and employees, as well as allowing them to see the production processes firsthand in a plant tour. We also held presentations for retail investors at events organized by private shareholder associations. Our Annual General Meeting on March 1, 2018, which for the first time was shown online in real time, had a good attendance level of 800 shareholders.

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	217,736 shares in Xetra trading
Ticker symbol	NDA
Reuters code	NAFG
Bloomberg code	NDA_GR

### Analyst coverage 2017/18

Baader Bank	Christian Obst
Bankhaus Lampe	Marc Gabriel
Bank of America/Merrill Lynch	Jason Fairclough
Berenberg <sup>1</sup>	
Commerzbank	Ingo-Martin Schachel
Credit Suisse <sup>1</sup>	
Deutsche Bank <sup>1</sup>	
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	Ioannis Masvoulas
Morgan Stanley	Menno Sanderse
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.