

# 2022

Compensation Report

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# Compensation Report

This compensation report complies with the statutory requirements under Section 162 of the German Stock Corporation Act (AktG) as well as the reporting principles of the German Corporate Governance Code (GCGC) in the version of April 28, 2022. The compensation report describes and explains in detail the compensation system for the Board of Management and Supervisory Board of LANXESS AG and the compensation of the individual current and former members of the Board of Management and Supervisory Board for fiscal year 2022. For LANXESS, transparent and understandable reporting is a key element of good corporate governance. In addition to the requirements of Section 162 Paragraph 3 Sentences 1 and 2 AktG, the content of the report is also audited by the auditor. The compensation report for fiscal year 2021 was already prepared in accordance with Section 162 AktG, and its content was audited by the auditor. In accordance with Section 120a AktG, the 2021 compensation report was approved at the Annual Stockholders' Meeting on May 25, 2022, by a majority of 88.79%. The structure of this approved compensation report was essentially retained for this 2022 compensation report.

## COMPENSATION OF THE BOARD OF MANAGEMENT

### Principles and Objectives of the Board of Management Compensation System

In fiscal year 2020, the Supervisory Board revised the compensation system for the members of the Board of Management on the basis of the Second Shareholder Rights Directive Implementation Act (ARUG II) and the version of the GCGC dated December 16, 2019, which was applicable at the time. Taking particular account of LANXESS's sustainable and strategic alignment, significant changes were implemented in the new compensation system. In particular, both the short-term variable compensation and the long-term variable compensation are based on two measurable performance criteria that are aligned with the sustainable corporate strategy. In addition, the proportions of short-term and long-term variable compensation have been determined such that the long-term compensation components outweigh the short-term ones. The revised compensation system for the Board of Management was approved by the Annual Stockholders' Meeting of LANXESS AG on May 19, 2021 with a majority of 94.22% of the valid votes cast.

The new compensation system has applied since January 1, 2021, in line with the recommendations of the current version of the GCGC with the sole exception that, in Board of Management contracts concluded before 2021, the proportion of long-term variable compensation does not outweigh that of short-term variable compensation. In order to maintain the previously agreed proportions of the individual compensation elements and thus the total compensation amount, the promised compensation and the previously agreed proportions of the individual

compensation elements in these contracts instead deviate from the regulations of the revised compensation system and the corresponding recommendation of the GCGC until new Board of Management contracts are concluded.

In the case of (re-)appointments of Board of Management members from 2021, the Supervisory Board will apply the new compensation system in full to all new Board of Management contracts. This was already implemented on the conclusion of the new service contracts for Dr. Anno Borkowsky with effect from June 1, 2022, for Michael Pontzen with effect from April 1, 2023, and for Dr. Hubert Fink with effect from October 1, 2023, in the context of their re-appointments as members of the Board of Management. The new compensation system likewise applies to the service contract of Frederique van Baarle in the context of her appointment as a new member of the Board of Management with effect from April 1, 2023, at the latest.

The compensation system for the Board of Management is geared toward compensating the Board of Management members appropriately in line with their tasks and responsibilities and taking account of the performance of each individual Board of Management member and the company's success. The aim of the compensation system is to support successful and sustainable corporate governance. LANXESS's compensation structure is therefore designed to provide the motivation to successfully work toward sustainable corporate development and the achievement of strategic corporate goals as well as for long-term value creation for our stockholders. Both of the long-term variable components are based on corporate performance over several years, and thus

create long-term incentives. Because one of these long-term compensation components measures stock price development compared with an index, the management's objectives are aligned with the direct interests of the stockholders. In designing the Board of Management compensation, it is also important to the Supervisory Board to ensure that this is generally in line with the compensation system for senior executives, so as to ensure a uniform incentive effect within the LANXESS management.

### **Process for Determining and Reviewing the Board of Management Compensation**

In accordance with Section 87a AktG, the Supervisory Board resolves on a clear and comprehensible compensation system for the members of the Board of Management. The Supervisory Board resolutions on the compensation system are prepared by the Presidial Committee of the Supervisory Board. The Presidial Committee also prepares the Supervisory Board's regular review of the system and the amount of compensation for the Board of Management members. If necessary, it advises the Supervisory Board to make changes.

The Supervisory Board presents the compensation system that it has resolved to the Annual Stockholders' Meeting for approval each time a significant change is made, or at least every four years. If the Annual Stockholders' Meeting does not approve the Board

of Management compensation system put to the vote, then a revised system is presented for approval at the following Annual Stockholders' Meeting at the latest.

The appropriateness of the compensation is regularly reviewed by the Supervisory Board. In doing so, it uses an independent external personnel consultancy. Such a review was last conducted in October 2021. In this review, the compensation of the Board of Management was compared with that of the companies listed in the MDAX and with that of selected chemical peer companies<sup>1)</sup>. These companies were selected by the Supervisory Board on the basis of their comparability with regard to business model, sales, market capitalization, total assets and headcount. Criteria for determining the appropriateness of the compensation for an individual Board of Management member are, in particular, his duties, his personal performance, the economic situation, and the success and sustainable growth of the LANXESS Group. In addition, consideration is also given to compensation at comparable companies and the company's overall compensation structure with regard to the ratio between the compensation of the Board of Management and that of LANXESS's senior executives and the rest of the workforce, both overall and in terms of time. The review of the Board of Management compensation structure showed that it is fundamentally designed appropriately.

In accordance with the German Stock Corporation Act, the Supervisory Board may temporarily deviate from the compensation system if this is necessary in the interests of the company's long-term wellbeing and if it specifies the compensation system, the deviation process and the components of the compensation system from which it may deviate. The process for such a deviation requires an explicit Supervisory Board resolution that describes specifically and in an appropriate form the duration of the deviation and the deviation as such, as well as the reason for it. The Supervisory Board did not exercise the option to deviate from the compensation system in fiscal year 2022.

### **Overview of Compensation Components**

Since January 1, 2021, the compensation system has included the components described in the following overview. The compensation system also still includes a clawback clause and a share ownership obligation that requires the Board of Management members to invest a defined proportion of their compensation in shares and to hold these shares for the duration of their Board of Management mandate ("Share Ownership Guideline"). In addition, the compensation system still comprises a temporary right to extraordinary termination in the event of a change of control with a limited severance regulation. The overview also shows the relative proportions of the individual compensation components within the total target compensation of the Board of Management members.

<sup>1)</sup> The reference group consisted of the following companies: AkzoNobel, Beiersdorf, Clariant, Covestro, Evonik, Henkel, K+S, Linde, Lonza, Merck, Royal DSM, Solvay, Symrise, Wacker Chemie.

In addition to the fixed compensation, the components of compensation for Board of Management members comprise short-term and long-term variable compensation components. The two variable compensation components for the Board of Management – the Annual Performance Payment (APP) and the Long-Term Incentive (LTI) – are linked to LANXESS’s annual performance and performance over a number of years and thus reward the sustainable, value-oriented development of the company. The short-term variable compensation component APP includes a financial and a non-financial

performance criterion. The long-term variable compensation component LTI consists of the Long-Term Stock Performance Plan (LTSP) and the Sustainability Performance Plan (SPP). The proportions of short-term and long-term variable compensation are determined such that the long-term compensation components outweigh the short-term ones.

In line with the exception outlined in the “Principles and Objectives of the Board of Management Compensation System” section above, the proportions of the individual

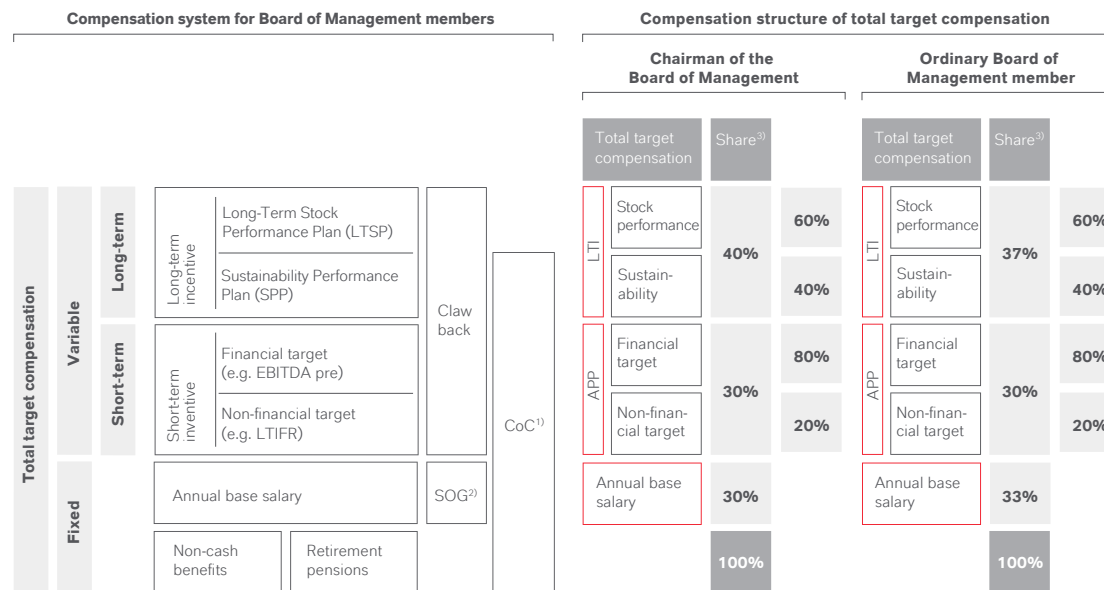
compensation components in existing Board of Management contracts concluded before 2021 deviate from the regulations of the compensation system that came into force as of January 1, 2021. In addition, a tranche (2021–2023 tranche) of the long-term variable compensation program Long-Term Performance Bonus, which has been replaced by the SPP in the new compensation system, was committed for the last time for fiscal year 2021.

## Compensation of the Board of Management in Fiscal Year 2022

### Fixed compensation components

The non-performance-related fixed compensation components include the annual base salary, the company pension plan and non-cash benefits, the latter consisting mainly of the tax value of perquisites, such as the use of a company car. The annual base salary of the members of the Board of Management is market-oriented, in line with the above-mentioned reference group, and also takes responsibilities and personal performance into account. It is paid each month in twelve equal parts as a salary. In fiscal year 2022, the annual base salary amounted to €1,400 thousand for the Chairman of the Board of Management, Matthias Zachert, €550 thousand for Dr. Anno Borkowsky, and €650 thousand each for Michael Pontzen and Dr. Hubert Fink. Dr. Stephanie Coßmann left the Board of Management early with effect from March 31, 2022. For her, the pro rata annual base salary amounted to €112 thousand. For the Board of Management members, non-cash benefits are capped at 15% of their individual annual base salary.

### Overview of the Board of Management Compensation System and the Compensation Structure



1) Change of control.  
 2) Share Ownership Guideline.  
 3) Corresponds to the compensation system applicable since January 1, 2021 and applies to all future (re-)appointments of Board of Management members in the new Board of Management contracts to be concluded.

### Short-term variable compensation

The Board of Management's APP considers two measurable performance criteria:

- › a financial performance criterion constituting 80% of the individual APP and
- › a non-financial performance criterion constituting 20% of the individual APP.

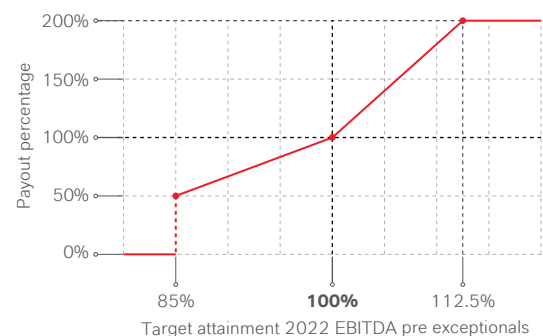
The target and threshold values and the payment curves for the Board of Management's APP are set uniformly for all members of the Board of Management by the

Supervisory Board annually before the start of each new fiscal year and also apply to the level below the Board of Management. Subsequent adjustments are not permitted. There is no payment of a minimum amount; if target attainment falls short of a threshold value, no APP payment is made. The maximum APP payout percentage in the fiscal year is 200%.

For fiscal year 2022, the target attainment and payment curve presented and explained below apply to the financial performance criterion of the APP.

The financial performance criterion for the short-term variable compensation, the APP, is currently the LANXESS Group's key performance indicator, EBITDA (operating earnings before depreciation, amortization, write-downs and reversals) pre exceptionals ("EBITDA pre"). EBITDA pre exceptionals is the most important financial indicator for LANXESS and is used to judge every operational decision or achievement. 100% target attainment is achieved in the event of a certain EBITDA pre exceptionals defined by the Supervisory Board before the start of the fiscal year. The payment curve plots a straight line between this target and the upper or lower limit. Achievement of the financial target set by the Supervisory Board of €1,150 million for fiscal year 2022 corresponds to a payout percentage of 100% for the financial performance criterion. If the LANXESS Group's EBITDA pre exceptionals is at least 12.5% higher than the financial target, the payout percentage equals the upper limit of 200% of the APP of the Board of Management for the financial performance criterion. If EBITDA pre exceptionals is more than 15% lower than the financial target, the payout percentage falls from 50% to 0%. This also applies to the variable short-term compensation of non-managerial and managerial staff. The steeper gradient of the payment curve if the 100% target is exceeded provides a special financial incentive to exceed the target, which is difficult to achieve as it is.

**APP: Target Attainment and Payment Curve for the Financial Performance Criterion EBITDA pre**



EBITDA pre	Target attainment	Payout percentage
€1,294 million	112.5%	200%
<b>(Target) €1,150 million</b>	<b>100%</b>	<b>100%</b>
€978 million	85%	50%
< €978 million	< 85%	0%

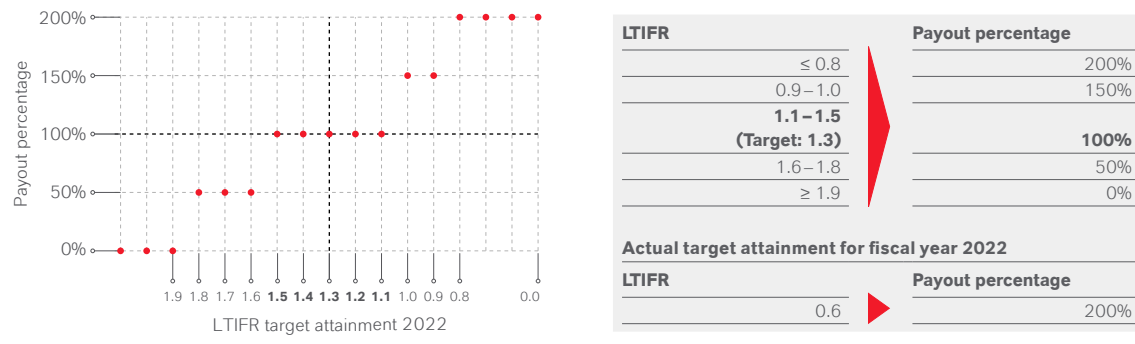
Actual target attainment for fiscal year 2022		
EBITDA pre <sup>1)</sup>	Target attainment	Payout percentage
€1,065 million	92.6%	75%

<sup>1)</sup> Value is based on EBITDA pre exceptionals of €930 million, adjusted for the contribution of the acquired Microbial Control business and including the earnings of the discontinued operations of the High Performance Materials business unit.



For fiscal year 2022, the target attainment and payment curve presented and explained below apply to the non-financial performance criterion of the APP.

**APP: Target Attainment and Payment Curve for the Non-financial Performance Criterion LTIFR**



The non-financial performance criterion is currently the lost time injury frequency rate (LTIFR: accidents per million hours worked) for accidents with days lost. This reflects the high importance of employee and site safety for LANXESS. The payment curve for the LTIFR, which is reported to one decimal place, takes a tiered approach in order to maintain the existing positive incident reporting culture. An LTIFR of between 1.1 and 1.5 equates to 100% target attainment and results in a payout percentage of 100% for the non-financial performance criterion. If the LTIFR is 0.8 or lower, this equates to a payout percentage of 200% of the Board of Management's APP for the non-financial performance criterion. If the LTIFR is higher than 1.8, the payout percentage falls to 0%. The long-term goal is to avoid any accidents. The target set for 2022 was therefore lowered by a further

0.2 points as against the previous year and, compared with other companies in the chemical industry and in view of the past trend at LANXESS, is again a challenge.

For the Board of Management and managers at the level below the Board of Management, the APP payout percentage refers to the individual underlying APP percentage. For ordinary Board of Management members, 100% target attainment corresponds to 100% of the annual base salary. When a (re-)appointment of an ordinary Board of Management member takes effect, this amounts to 90% of the annual base salary in line with the weighting of short-term and long-term compensation in the new compensation system. For the Chairman of the Board of Management, 100% target attainment corresponds to 125% of the annual base salary.

Within the APP, there is the option to grant an ad hoc discretionary bonus. This serves to recognize special achievements or to create an additional incentive and can be granted only as part of the Board of Management's APP. It is capped at 20% of the annual base salary. The discretionary bonus can be used only in exceptional cases and requires a transparent justification from the Supervisory Board. As in the previous years, no discretionary bonus was paid in fiscal year 2022.

The maximum target attainment for the Board of Management's APP (including the discretionary bonus) is capped at 200%.

The Supervisory Board still reserves the right to reduce the APP in the event of serious occupational safety and/or environmental problems.

**Long-term variable compensation**

The Board of Management is called upon to show long-term commitment to the company and to promote and achieve sustainability. This means making efficient use of the capital provided by stockholders and investors. LANXESS sees its strong focus on sustainability as an important aspect of its own competitiveness, not least because sustainability in its various facets is increasingly demanded by customers and consumers, as well as by our employees and investors. Sustainability is an important element of our strategy that is also reflected in the compensation system.

The LTI also consists of two components, which are paid out in cash and each consider one measurable performance criterion:

- › the Long-Term Stock Performance Plan (LTSP), which is based on the stock price performance, and
- › the Sustainability Performance Plan (SPP), which is measured based on a sustainability criterion.

With 100% target attainment each, the proportion of the LTSP comes to 60% and that of the SPP to 40% of the individual LTI.

The stock-based LTSP is based on the performance of LANXESS stock against a reference index, currently the FTSEurofirst 300 Eurozone Chemicals Index, which is used for the first time as a basis for the LTSP 2022–2025 established in 2022. The FTSEurofirst 300 Eurozone Chemicals Index currently provides the best reflection of the LANXESS Group's economic environment. The LTSP 2014–2017 and LTSP 2018–2021 used the MSCI World Chemicals Index as a reference index. The LTSP 2018–2021 in place until 2021 and the LTSP 2022–2025 in place since 2022 are both divided into four tranches, whereby performance is determined annually and the payout percentage is calculated at the end of the respective four-year term of the tranche according to the average performance on the basis of the annual individual values. At the end of the term of the tranche, corresponding compensation is granted using this payout percentage. This is paid out in the subsequent fiscal year.

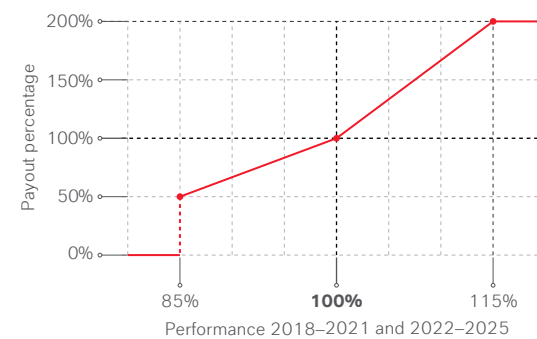
The LTSP 2014–2017 program required a prior personal investment each year in LANXESS AG shares of 5% of the annual base salary. These shares had a lock-up period of four years. The rights granted by the LTSP may be exercised during a three-year exercise period at the end of the four-year vesting period. The exercise period for the 2013 tranche, which was the only outstanding tranche from the earlier program (LTSP 2010–2013) and ended on January 31, 2022, was five years.

For the LTSP 2018–2021 and LTSP 2022–2025 programs, the performance and payment curve presented and explained below apply to the financial performance criterion of the LTI.

In the case of 100% performance, the LTSP programs provide for a possible payment per tranche of 60% of the annual base salary for the ordinary members of the Board of Management and 67.5% of the annual base salary for the Chairman of the Board of Management.

When a (re-)appointment of ordinary Board of Management members takes effect, this amounts to 69% of the annual base salary in line with the weighting of short-term and long-term compensation in the new compensation system. The payment curve plots a straight line between this target and the upper or lower limit. Given an average outperformance of at least 115% by the stock relative to the reference index, the payout percentage would come to 200%. For the Chairman of the Board of Management, the maximum payment thus amounts to 135% of the annual base salary. For ordinary members of the Board of Management, it amounts to 120%, or 138% when a (re-)appointment takes effect. The Supervisory Board reserves the right to reduce the payment if the stock performance relative to the reference index is less than 100%, and the payment must be canceled if it is less than 85%. Like in the APP, the steeper gradient of the payment curve if the 100% target is exceeded provides an additional financial incentive to exceed the target.

**LTI: Performance and Payment Curve for the Financial Performance Criterion of the LTSP**



Performance	Payout percentage	Value of right
115%	200%	€2.00
<b>(Target) 100%</b>	<b>100%</b>	<b>€1.00</b>
85%	50%	€0.50
< 85%	0%	€0

**Actual target attainment for the 2019 tranche**

Performance	Payout percentage	Value of right
92.9%	76%	€0.76



The development of the number of outstanding rights in stock-based compensation for fiscal year 2022 is shown in the following table:

**Development of the Number of Outstanding Rights in Stock-Based Compensation**

		LTSP	LTSP	LTSP		LTSP	
		2010–2013	2014–2017	2018–2021	2022–2025		
		2013 tranche	2017 tranche	2019 tranche	2020 tranche	2021 tranche	2022 tranche
number of rights	Vesting periods	Feb. 1, 2013– Jan. 31, 2017	Feb. 1, 2017– Jan. 31, 2021	Jan. 1, 2019– Dec. 31, 2022	Jan. 1, 2020– Dec. 31, 2023	Jan. 1, 2021– Dec. 31, 2024	Jan. 1, 2022– Dec. 31, 2025
	Exercise period/ date	Feb. 1, 2017– Jan. 31, 2022	Feb. 1, 2021– Jan. 31, 2024	Feb. 1, 2023	Feb. 1, 2024	Feb. 1, 2025	Feb. 1, 2026
	Outstanding rights as of January 1, 2022	810,000	810,000	810,000	911,250	911,250	
Matthias Zachert	Allocated						945,000
	Fulfilled			810,000			
	Forfeited	810,000					
	Outstanding rights as of December 31, 2022	0	810,000	0	911,250	911,250	945,000
Dr. Anno Borkowsky	Outstanding rights as of January 1, 2022			175,000	300,000	300,000	
	Allocated						359,022
	Fulfilled			175,000			
	Outstanding rights as of December 31, 2022			0	300,000	300,000	359,022
Dr. Stephanie Coßmann (until March 31, 2022) <sup>1)</sup>	Outstanding rights as of January 1, 2022				270,000	270,000	
	Allocated						270,000
	Settled				270,000	270,000	270,000
	Outstanding rights as of December 31, 2022				0	0	0
Dr. Hubert Fink	Outstanding rights as of January 1, 2022	270,000	270,000	330,000	360,000	360,000	
	Allocated						390,000
	Fulfilled			330,000			
	Forfeited	270,000					
Michael Pontzen	Outstanding rights as of December 31, 2022	0	270,000	0	360,000	360,000	390,000
	Outstanding rights as of January 1, 2022	270,000	270,000	330,000	360,000	360,000	
	Allocated						390,000
	Fulfilled			330,000			
Total	Forfeited	270,000					
	Outstanding rights as of December 31, 2022	0	270,000	0	360,000	360,000	390,000

1) In connection with the early termination of her service as a Board of Management member, Dr. Coßmann's LTSP rights of the 2020, 2021 and 2022 tranches were settled early.

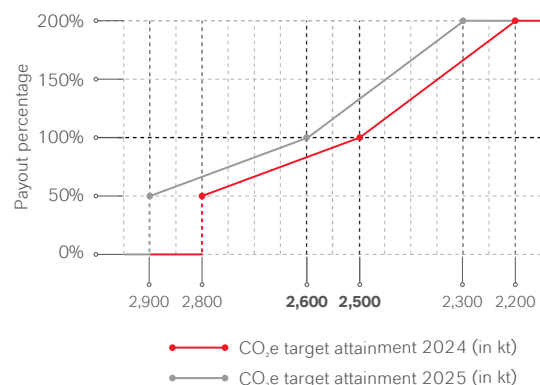
**Development of the Number of Outstanding Rights in Stock-Based Compensation**

		LTSP	LTSP	LTSP	LTSP	LTSP	LTSP	<b>Total</b>
		2010–2013	2014–2017	2018–2021	2018–2021	2018–2021	2022–2025	
	Vesting periods	2013 tranche Feb. 1, 2013– Jan. 31, 2017	2017 tranche Feb. 1, 2017– Jan. 31, 2021	2019 tranche Jan. 1, 2019– Dec. 31, 2022	2020 tranche Jan. 1, 2020– Dec. 31, 2023	2021 tranche Jan. 1, 2021– Dec. 31, 2024	2022 tranche Jan. 1, 2022– Dec. 31, 2025	
<b>number of rights</b>	Exercise period/ date	Feb. 1, 2017– Jan. 31, 2022	Feb. 1, 2021– Jan. 31, 2024	Feb. 1, 2023	Feb. 1, 2024	Feb. 1, 2025	Feb. 1, 2026	
<b>Board of Management member no longer in office</b>								
	Outstanding rights as of January 1, 2022	322,500	390,000	390,000				<b>1,102,500</b>
	Fulfilled			390,000				<b>390,000</b>
Dr. Rainier van Roessel	Forfeited	322,500						<b>322,500</b>
	Outstanding rights as of December 31, 2022	0	390,000	0				<b>390,000</b>

The SPP considers the long-term development of non-financial sustainability criteria. The assessment period for these criteria is also four years. On the basis of LANXESS's published interim goal for 2025, the Supervisory Board set a target for CO<sub>2</sub>e emissions reduction for the first time for 2024, which is included in the SPP as a performance criterion. The amount of CO<sub>2</sub>e emissions was also defined as a measure of target attainment for 2025. In subsequent years, a different performance criterion can be selected to reflect the company's current focus. This mechanism is intended to allow different facets of sustainability to be emphasized.

For the 2021–2024 and 2022–2025 assessment periods, the target attainments and payment curves presented and explained below apply to the non-financial performance criterion of the LTI.

**LTI: Target Attainment and Payment Curve for the Non-financial Performance Criterion of the SPP**



CO <sub>2</sub> e emissions in kt		Payout percentage
2024	2025	
≤ 2,200	2,300	200%
<b>(Target) 2,500</b>	<b>2,600</b>	<b>100%</b>
2,800	2,900	50%
> 2,800	2,900	0%

Actual target attainment 2021–2024	
CO <sub>2</sub> e-Emission in kt	Payout percentage
Determination of target attainment at the end of 2024	

Actual target attainment 2022–2025	
CO <sub>2</sub> e-Emission in kt	Payout percentage
Determination of target attainment at the end of 2025	

In the case of M&A transactions, the target values are adjusted by the CO<sub>2</sub>e values of the target.

For the members of the Board of Management, 100% target attainment of the sustainability criterion corresponds to a payout of 45% of the annual base salary. In line with the weighting of short-term and long-term compensation in the new compensation system, the payment for ordinary Board of Management members increases to 46% of the annual base salary when a (re-) appointment takes effect. In the case of CO<sub>2</sub>e emissions of 2,200 kt or lower in 2024 or 2,300 kt or lower in 2025, the payout percentage is 200%. The maximum payment thus comes to 90%, or 92% when a (re-)appointment of an ordinary Board of Management member takes effect, of the annual base salary. If CO<sub>2</sub>e emissions exceed 2,800 kt in 2024 or 2,900 kt in 2025, there is no payout.

The payment curves for the LTSP and SPP plot a straight line between the target value of 100% and the lower or upper limit (0% and 200%). Like in the APP and the LTSP, the steeper gradient of the payment curve if the 100% target is exceeded provides an additional financial incentive to exceed the target. On achievement of the minimum value, the payout percentage amounts to 50%.

Performance criteria, target values and payment curves for the long-term variable compensation components are defined by the Supervisory Board annually before the start of the fiscal year. Subsequent adjustments are permitted only in the case of the CO<sub>2</sub>e targets to take M&A transactions into account.

The Long-Term Performance Bonus (LTPB), which formed part of the previous compensation system applicable until December 31, 2020, as a long-term variable compensation component, is expiring and will end as of December 31, 2023. The last tranche of the LTPB (2021–2023 tranche) was allocated in fiscal year 2021 and will be paid out in fiscal year 2024. For this tranche and for the 2020–2022 tranche, which also includes fiscal year 2022, the compensation for the performance achieved in full in 2022 was granted in the reporting year, as this gave rise to a partial entitlement that cannot be revoked. The amount granted is equivalent to 45%, or 46% when a (re-)appointment of an ordinary Board of Management member takes effect, of the annual base salary applicable at the end of the reporting year, applying the APP target attainment in 2022.

Due to its long-term nature, the LTPB also considers sustainable corporate development. At the end of the three-year term of the tranches, the exact amount of the LTPB results one-third each from the respective APP target attainment in the three fiscal years. After the end of the three-year term, it is paid out in the following year, applying the annual base salary applicable at the end of the term.

**Target compensation of Board of Management members in office in fiscal year 2022**

The table below shows the individual target compensation promised to the Board of Management members for fiscal year 2022 in the case of 100% target attainment. It also includes non-cash benefits and contributions to the company pension plan. The promised non-cash benefits are stated at their maximum value.

**Target Compensation**

€ thousand	Fixed compensation components			Variable compensation components			Total compensation	
	Annual base salary	Non-cash benefits	Retirement pensions	Short-term	Long-term			
				APP	LTI			
				APP 2022	SPP	LTSP <sup>1)</sup>		
Matthias Zachert	1,400	210	788		1,750	630	945	5,723
Dr. Anno Borkowsky <sup>2)</sup>	550	82	275		518	251	359	2,035
Dr. Stephanie Coßmann (until March 31, 2022)	450	68	225		450	202	270	1,665
Dr. Hubert Fink	650	98	325		650	292	390	2,405
Michael Pontzen	650	98	325		650	292	390	2,405

1) LTSP 2022–2025 (2022 tranche) vesting period (2022–2025).  
 2) Taking into account the new service contract that took effect as of June 1, 2022.

Under the old compensation system already, the members of the Board of Management were promised an LTPB tranche for the last time (2021–2023 tranche). The target compensation for this corresponds to that of the SPP. Payments from the LTPB tranche are based on target achievement in 2024. With its four-year term, the SPP follows on from the expiring LTPB program. Payments from this are based on target achievement in 2025. There is thus no simultaneous payment of the LTPB and the SPP in any fiscal year.

**Relative compensation in the case of 100% target attainment**

In fiscal year 2022, the target total direct compensation of the Chairman of the Board of Management amounted to 34 times the average target total direct compensation of all non-pay-scale employees in Germany (not including the Board of Management). The target total direct compensation of all Board of Management members amounted to 19 times the average target total direct compensation of all non-pay-scale employees in Germany (not including the Board of Management). The target total direct compensation comprises the annual base salary and variable compensation components in the case of 100% target attainment, not including contributions to the pension plan or non-cash benefits.

**Compliance with maximum compensation**

In accordance with Section 87a Paragraph 1 Sentence 2 No. 1 AktG, the Supervisory Board has set an absolute amount in euros as the maximum compensation to limit the total amount of compensation that can be granted in a fiscal year. The maximum compensation has been set individually for each Board of Management member and includes all fixed and variable compensation components that arise taking account of the performance achieved in full for the fiscal year. The following table shows the relevant caps on the individual compensation components for fiscal year 2022, the resulting overall cap on compensation, and the maximum compensation for each Board of Management member as resolved by the Supervisory Board in accordance with Section 87a Paragraph 1 Sentence 2 No. 1 AktG.

The annual base salary and the contributions to the pension plan are fixed amounts. The caps for the non-cash benefits, APP, LTPB and LTSP were complied with for all Board of Management members in fiscal year 2022; the amount of actual total compensation taking account of the payout percentages for 2022 is shown in the table “Compensated Granted and Owed to Board of Management Members in Office in the Fiscal Year” in the section below. For each of the Board of Management members, this is below the overall cap on compensation and thus lower than the maximum compensation. Compliance with the maximum compensation is thus ensured for fiscal year 2022.

**Maximum Compensation**

€ thousand	Fixed compensation components			Variable compensation components			Overall cap on compensation	Maximum compensation <sup>3)</sup>
	Annual base salary	Non-cash benefits	Pension contributions	Short-term	Long-term			
				APP 2022 <sup>1)</sup>	LTPB <sup>2)</sup>	LTSP tranche 2019		
Matthias Zachert	1,400	210	788	3,500	869	1,620	<b>8,387</b>	<b>9,400</b>
Dr. Anno Borkowsky <sup>4)</sup>	550	82	275	1,036	364	350	<b>2,657</b>	<b>3,500</b>
Dr. Stephanie Coßmann (until March 31, 2022)	450	68	225	900	270	–	<b>1,913</b>	<b>3,500</b>
Dr. Hubert Fink	650	98	325	1,300	419	660	<b>3,452</b>	<b>4,100</b>
Michael Pontzen	650	98	325	1,300	419	660	<b>3,452</b>	<b>4,100</b>

1) Target attainment 200%.  
 2) Includes the amounts granted in the case of 200% target attainment for the partial performance in 2022 and adjustments for previous years from the 2020–2022 and 2021–2023 tranches.  
 3) In accordance with approval by the Annual Stockholders' Meeting on May 19, 2021.  
 4) Taking into account the new service contract that took effect as of June 1, 2022.

**Compensation granted and owed to Board of Management members in fiscal year 2022 in accordance with Section 162 AktG**

The following table shows the fixed and variable compensation components granted and owed including the respective relative share for each individual member of the Board of Management in office in fiscal year 2022 in accordance with Section 162 Paragraph 1 Sentence 1 AktG. The table thus includes the annual base salary paid in fiscal year 2022, the non-cash benefits accrued in the fiscal year, and the variable compensation components APP and LTPB granted in the fiscal year taking account of the performance achieved in full for fiscal year 2022 and the resulting APP target attainment for 2022. For the LTSP, the compensation is granted at the end of the term of the respective tranche,

as the underlying performance is not achieved in full until that time. In fiscal year 2022, the compensation for the 2019 tranche of the LTSP 2018–2021 was granted accordingly.

In fiscal year 2022, EBITDA pre exceptionals of €930 million was generated and an LTIFR of 0.6 was achieved. This results in target attainment of 92.6% and a payout percentage of 75% for EBITDA pre exceptionals. LTIFR target attainment of 0.6 results in a payout percentage of 200%. Taking account of the proportions of the financial and the non-financial target for the Board of Management's APP, there is thus a weighted payout percentage of 100% for the members of the Board of Management. The payout for the APP will take place only after the end of the reporting year in fiscal year

2023, while for the LTPB it will take place in 2023 and 2024. For the 2019 tranche of the LTSP, the performance of the stock relative to the reference index came to 92.9%. This corresponds to a value of €0.76 per right. The 2019 LTSP tranche will be paid out in 2023. Further details on the derivation of the stated percentages can be found in the sections on short- and long-term variable compensation.

Dr. Stephanie Coßmann left office as a Board of Management member early as of March 31, 2022. In connection with the mutually agreed termination of Dr. Coßmann's appointment as a member of the Board of Management, a payment of €841 thousand was made in accordance with the service contract, with which the claims on early departure were settled. The

**Compensation Granted and Owed to Board of Management Members in office in the Fiscal Year**

	Fixed compensation components				Variable compensation components								Total compensation pursuant to Section 162 AktG € thousand	Pension contributions € thousand	Total compensation € thousand
	Annual base salary		Non-cash benefits		Short-term		Long-term				Settlement payment				
	€ thousand	%	€ thousand	%	APP 2022	LTPB 2022 <sup>1)</sup>	LTSP tranche 2019								
	€ thousand	%	€ thousand	%	€ thousand	%	€ thousand	%	€ thousand	%					
Matthias Zachert	1,400	33	81	2	1,750	41	450	10	615	14	–	–	4,296	788	5,084
Dr. Anno Borkowsky	550	38	51	4	518	35	197	14	133	9	–	–	1,449	275	1,724
Dr. Stephanie Coßmann (until March 31, 2022)	112	6	7	1	112	6	34	2	–	–	1,475	85	1,740	56	1,796
Dr. Hubert Fink	650	35	58	3	650	35	225	12	251	15	–	–	1,834	325	2,159
Michael Pontzen	650	36	40	2	650	36	225	12	251	14	–	–	1,816	325	2,141

1) Includes the amounts granted for the partial performance in 2022 and adjustments for previous years from the 2020–2022 and 2021–2023 tranches.

claims from the APP and LTPB were also granted pro rata according to the actual target attainment for fiscal year 2022. The payout for the APP will take place after the end of the reporting period in fiscal year 2023, while for the LTPB it will take place in 2023 and 2024. An early settlement totaling €405 thousand was agreed for the rights of the outstanding LTSP tranches. In the Supervisory Board's view, this agreement is appropriate as part of a mutually agreed solution and in light of the fact that Dr. Coßmann, after leaving the Board of Management, will have no further influence on the achievement of agreed targets and payment criteria that

lie several years in the future. In addition, contributions to the pension plan of €169 thousand were paid for the months of 2022 after her departure from the Board of Management, and costs of €50 thousand plus VAT were borne for consulting on professional reorientation. In total, the settlement payment for Dr. Coßmann therefore amounted to €1,475 thousand.

The following table shows the compensation granted and owed to former members of the Board of Management in accordance with Section 162 Paragraph 1 Sentence 1 AktG.

**Compensation Granted and Owed to Former Board of Management Members in the Fiscal Year**

	Fixed compensation components		Variable compensation components		Total compensation € thousand
	Pension payments		LTSP tranche 2019		
	€ thousand	%	€ thousand	%	
Dr. Werner Breuers (until August 5, 2014)	55	100	–	–	55
Dr. Bernhard Düttmann (until March 31, 2015)	357 <sup>1)</sup>	100	–	–	357
Dr. Axel C. Heitmann (until February 21, 2014)	474	100	–	–	474
Dr. Rainier van Roessel (until December 31, 2019)	126	30	296	70	422

1) Of which €318 thousand relates to capital payments.

**Further Regulations on Compensation**

**Share Ownership Guideline (SOG)**

The Share Ownership Guideline, in place since 2018 and revised in 2020, stipulates the amount of the investment in LANXESS AG shares. Over a period of four years, the members of the Board of Management are obliged to invest a defined proportion of their compensation in shares in LANXESS AG and verifiably hold the shares until the end of their service contract (SOG target). The SOG target, as is standard for German companies, is 150% of annual base salary for the Chairman of the Board of Management and 100% of annual base salary for the other members of the Board of Management. The relevant figure for the investment in the respective development year is the purchase price of the LANXESS AG share not including the bank's commission. The members of the Board of Management were authorized to contribute existing shares in LANXESS AG verifiably. All members of the Board of Management exercised this option. Compliance with the share ownership obligation must be proven annually during the four-year development phase and every three years thereafter. The Board of Management members are entitled to any dividends from the LANXESS shares acquired. A dividend payment has no effect on the compensation of the Board of Management members.



**Share Ownership Guideline**

	SOG target	Investment volume <sup>1)</sup> in €	Development year ended <sup>2)</sup>	Target investment	Next review
Matthias Zachert	150%	2,407,441	4	Fulfilled	2025
Dr. Anno Borkowsky	100%	552,886	3	Fulfilled	2023
Dr. Hubert Fink	100%	1,076,921	4	Fulfilled	2025
Michael Pontzen	100%	702,339	4	Fulfilled	2025

1) As of December 31, 2022.

2) In the event of appointment to the Board of Management during the year, the development phase begins on January 1 of the following year.

Matthias Zachert, Dr. Hubert Fink and Michael Pontzen met the SOG target. Dr. Anno Borkowsky completed the third development year and has already met his SOG target ahead of time. Dr. Stephanie Coßmann fulfilled the share ownership obligation until she left office as a Board of Management member.

**Clawback regulation**

There is a clawback regulation for variable compensation. This regulation allows the Supervisory Board to withhold the variable compensation in full or in part, or to reclaim it if it has already been paid out, in the event of grave dereliction of duty by a Board of Management member in relation to the company. Irrespective of this, it is possible to reduce payments or take recourse in line with the legal provisions in the event of harmful breaches of duty by Board of Management members. In fiscal year 2022, the Supervisory Board had no reason to withhold or reclaim variable compensation components.

**Contract terms and termination of service on the Board of Management**

The Supervisory Board follows German stock corporation law and the recommendations of the GCGC when appointing members of the Board of Management and deciding on the term of Board of Management contracts. When appointing an individual to the Board of Management for the first time, the appointment period and the term of the service contract are usually three years. For reappointments, the maximum term of the service contracts is five years. The respective service contracts are concluded on a temporary basis and end without a separate notice period at the end of the term. In the event of a change of control, the Board of Management members have a temporary extraordinary termination right as described in the following section. The right of both parties to extraordinary termination for good cause remains unaffected. The service contracts with all Board of Management members stipulate a general cap on any severance (severance cap). In the event of early

termination of service on the Board of Management, the severance payments must not exceed the value of two annual salaries plus the Board of Management's APP and the LTPB until the end of fiscal year 2023 or the SPP from the start of fiscal year 2024 at 100% target attainment and must never provide more compensation than the remaining term of the contract.

No severance payment is provided for if the Board of Management member resigns him- or herself or if the service contract is terminated by the company for good cause.

**Post-contractual restrictions on competition**

No post-contractual restrictions on competition are stipulated. However, an agreement on competition restrictions may be concluded for the period after the end of the service contract. In the event of a restriction on competition, the severance payment is to be counted toward the compensation for observing this restriction in accordance with the GCGC.

**Change of control**

Payments in the event of termination of a Board of Management member's service contract due to a change of control are capped at two annual base salaries plus the Board of Management's APP and the LTPB until the end of fiscal year 2023 or the SPP from the start of fiscal year 2024 at 100% target attainment, accounting pro rata for the remaining term at the date of contract termination.

### Compensation from secondary employment

If members of the Board of Management hold supervisory board mandates or similar offices at affiliated companies in which LANXESS has a direct or indirect interest, or at associations and similar organizations to which the company belongs or is affiliated due to its business activities, in Germany or abroad, then this employment must be compensated with the agreed annual base salary. Compensation paid for such offices must be reported to LANXESS and is deducted from the agreed compensation. Supervisory board mandates and mandates on comparable supervisory bodies of commercial enterprises outside the LANXESS Group may be accepted only with the prior approval of the Supervisory Board. In these cases, the Supervisory Board will also decide whether and to what extent the corresponding compensation is to be offset.

### Other

In the past fiscal year, no member of the Board of Management received benefits or assurances of benefits from third parties with respect to their duties as members of the Board of Management.

LANXESS AG includes the members of the Board of Management and certain employees of the LANXESS Group under a directors' and officers' liability insurance (D&O) policy.

No loans were granted to members of the Board of Management in fiscal year 2022.

### Retirement Pensions

The pension plan for the members of the Board of Management is a defined contribution plan that grants benefits to the members of the Board of Management after the end of their employment under the company pension plan. These benefits are paid when the beneficiary reaches the age of 60 or 62 or if the beneficiary is permanently unable to work. They are paid to surviving dependents in the event of the beneficiary's death.

The pension plan stipulates a contribution of 50% of the annual base salary to be made by the company each year, or 56.25% in the case of the Chairman of the Board of Management. Moreover, the members of the Board of Management must themselves pay an amount from deferred compensation amounting to 12.5% of the Board of Management's APP. The members of the Board of Management may increase their personal contribution to up to 25% of the Board of Management's APP. The calculation of the personal contribution is based on the Board of Management's APP to be paid, but is limited to

a maximum of 100% target attainment. The sum of the contributions is capped. From the date of entitlement, up to 30% of the accumulated capital – including the interest thereon – may be converted to a pension benefit. There are claims arising from provisions in place before 2006 that are granted as vested rights for individual members of the Board of Management. If the service contract ends before the beneficiary reaches the age of 60 or 62, the company pays certain additional benefits up to a defined ceiling.

LANXESS has established provisions for the future claims of Board of Management members. The service costs recognized under the International Financial Reporting Standards (IFRS) accounting rules for this purpose, the net expense recognized under the German Commercial Code (HGB) accounting rules for this purpose and the present value of the obligations under IFRS and HGB accounting rules for members of the Board of Management in office as of December 31, 2022, can be found in the following table:

#### Pension Claims

€ thousand	IFRS		HGB	
	Service costs	Present value of the obligations	Net expense for pension entitlements	Present value of the obligations
Matthias Zachert	990	9,007	2,024	11,571
Dr. Anno Borkowsky	99	2,937	584	3,569
Dr. Hubert Fink	362	5,348	875	6,659
Michael Pontzen	377	2,916	578	3,970

The service costs in accordance with IFRS for Dr. Stephanie Coßmann, who left the Board of Management, amount to €290 thousand. Under HGB, this equates to a net expense of €310 thousand.

## COMPENSATION OF THE SUPERVISORY BOARD

There was one change in the Supervisory Board of LANXESS AG in fiscal year 2022. Theo H. Walthie left the Board at the end of the Annual Stockholders' Meeting on May 25, 2022. The Annual Stockholders' Meeting elected Dr. Rainier van Roessel to succeed him as a new member of the Supervisory Board.

The compensation of the Supervisory Board is governed by Section 12 of the company's articles of association. Based on German stock corporation law, a resolution on the compensation of the Supervisory Board members must be adopted by the Annual Stockholders' Meeting at least every four years for listed companies. The Annual Stockholders' Meeting of LANXESS AG on May 19, 2021, therefore adopted a resolution on the compensation of the Supervisory Board members in accordance with Section 113 Paragraph 3 AktG. The compensation system for Supervisory Board members presented to the Annual Stockholders' Meeting was resolved with a majority of 99.91% of the votes cast.

The members of the Supervisory Board of LANXESS AG receive fixed compensation of €80 thousand per year. The Chairman of the Supervisory Board receives three times, and the Vice Chairman one and a half times, this amount. Serving as the chair, deputy chair or a member of Supervisory Board committees is compensated separately in accordance with the GCGC. Supervisory Board members who belong to a committee other than the Nominations Committee receive half of the fixed compensation amount in addition. Supervisory Board members who belong to the Nominations Committee receive one eighth of the fixed compensation amount in addition. The chair of the Audit Committee receives a further half. Supervisory Board members who chair a committee other than the Audit Committee receive a further quarter. No additional compensation is granted for membership in the Committee to be formed pursuant to Section 27 Paragraph 3 of the German Codetermination Act or for chairing the Nominations Committee. However, no member may receive in total more than three times the fixed compensation amount.

Supervisory Board members are reimbursed for their expenses in addition and also receive an attendance allowance of €1.5 thousand for each Supervisory Board meeting and each committee meeting they attend, with the exception of meetings of the Committee formed pursuant to Section 27, Paragraph 3 of the German Codetermination Act. With respect to their membership

on the supervisory boards of LANXESS Group companies, the members of the Supervisory Board are remunerated only for their service on the Supervisory Board of LANXESS Deutschland GmbH in the amount of €5 thousand each.

LANXESS AG includes the members of the Supervisory Board of the LANXESS Group under a directors' and officers' liability insurance (D&O) policy.

None of the members of the Supervisory Board received benefits for services provided personally during the reporting period. No loans or advances were granted to members of the Supervisory Board during the reporting year.

The following table shows the fixed and variable compensation components granted and owed to the current and former members of the Supervisory Board in the past fiscal year, including the respective relative share, in accordance with Section 162 Paragraph 1 Sentence 1 AktG.

**Compensation Granted and Owed to Supervisory Board Members in Fiscal Year 2022**

	Fixed compensation LANXESS AG		Compensation as committee member LANXESS AG		Attendance allowance		Fixed compensation LANXESS Deutschland GmbH		Total com- pensation €
	€	%	€	%	€	%	€	%	
Dr. Matthias L. Wolfgruber, Chairman	240,000	92	–	0	16,500	6	5,000	2	<b>261,500</b>
Ralf Sikorski, Vice Chairman	120,000	66	40,000	22	16,500	9	5,000	3	<b>181,500</b>
Hans van Bylen	80,000	43	80,000	43	21,000	11	5,000	3	<b>186,000</b>
Birgit Bierther	80,000	57	40,000	28	16,500	11	5,000	4	<b>141,500</b>
Armando Dente	80,000	57	40,000	28	15,000	11	5,000	4	<b>140,000</b>
Dr. Hans-Dieter Gerriets	80,000	57	40,000	28	15,000	11	5,000	4	<b>140,000</b>
Dr. Heike Hanagarth	80,000	81	5,041	5	9,000	9	5,000	5	<b>99,041</b>
Pamela Knapp	80,000	44	80,000	44	15,000	8	5,000	4	<b>180,000</b>
Lawrence A. Rosen	80,000	53	50,000	34	15,000	10	5,000	3	<b>150,000</b>
Iris Schmitz	80,000	57	40,000	28	15,000	11	5,000	4	<b>140,000</b>
Manuela Strauch	80,000	57	40,000	28	16,500	11	5,000	4	<b>141,500</b>
Dr. Rainier van Roessel (appointed May 25, 2022)	48,438	59	20,164	24	10,500	13	3,027	4	<b>82,129</b>
Theo H. Walthie (resigned May 25, 2022)	31,781	53	19,863	34	6,000	10	1,986	3	<b>59,630</b>
<b>Total</b>	<b>1,160,219</b>	<b>61</b>	<b>495,068</b>	<b>26</b>	<b>187,500</b>	<b>10</b>	<b>60,013</b>	<b>3</b>	<b>1,902,800</b>

**COMPARISON OF THE EARNINGS DEVELOPMENT AND THE CHANGE IN COMPENSATION OF THE EMPLOYEES, BOARD OF MANAGEMENT MEMBERS AND SUPERVISORY BOARD MEMBERS**

The following table compares the relative change in compensation of current and former Board of Management and Supervisory Board members with the compensation of employees on a full-time equivalent basis and selected key earnings figures of the LANXESS Group and LANXESS AG over the past five years in accordance with Section 162 Paragraph 1 Sentence 2 No. 2 AktG.

For the Board of Management and Supervisory Board members, the compensation granted and owed in the respective fiscal year in accordance with Section 162 Paragraph 1 Sentence 1 AktG is presented.

For the presentation of the average compensation of employees on a full-time equivalent basis, the group of employees of the German Group companies is used. The group of employees in Germany comprises all active permanent pay-scale and non-pay-scale employees, including the top management level below the Board of Management and employees on paid leave. The average compensation of employees comprises the annual base salary (not including recurring payments)

and any variable compensation components attributable to the fiscal year. The calculation of compensation for employees thus corresponds in principle to the compensation for the Board of Management and the Supervisory Board and is therefore consistent with the compensation granted and owed in line with Section 162 Paragraph 1 Sentence 1 AktG.

The earnings development is presented based on LANXESS AG's net income and the LANXESS Group's key performance indicator, EBITDA pre exceptionals.

**Comparison of the Earnings Development and the Change in Compensation of the Employees, Board of Management Members and Supervisory Board Members**

	Change in 2019 vs. 2018	Change in 2020 vs. 2019	Change in 2021 vs. 2020	Change in 2022 vs. 2021
	%	%	%	%
<b>Earnings development</b>				
EBITDA pre exceptionals	0	(15)	17	14 <sup>1)</sup>
Net income of LANXESS AG	445	(115)	(37)	1,202 <sup>2)</sup>
<b>Employee compensation</b>				
Average compensation in Germany (not including Board of Management)	2	(1)	9	(9)
<b>Compensation of members of the Board of Management in office in the fiscal year</b>				
Matthias Zachert (Chairman, from April 1, 2014)	(6)	(27)	41	(27)
Dr. Anno Borkowsky (from June 1, 2019)	-	32	89	(18)
Dr. Stephanie Coßmann (from January 1, 2020, until March 31, 2022)	-	-	91	10
Dr. Hubert Fink (from October 1, 2015)	(5)	7	42	(22)
Michael Pontzen (from April 1, 2015)	(12)	4	45	(22)
<b>Compensation of former members of the Board of Management</b>				
Dr. Werner Breuers <sup>3)</sup> (until August 5, 2014)	-	(98)	0	6
Dr. Bernhard Düttmann <sup>3)</sup> (until March 31, 2015)	-	3,694	0	1
Dr. Axel C. Heitmann <sup>3)</sup> (until February 21, 2014)	-	(90)	(2)	7
Dr. Rainier van Roessel <sup>3)</sup> (until December 31, 2019)	0	93	(92)	6
<b>Compensation of members of the Supervisory Board in office in the fiscal year</b>				
Dr. Matthias L. Wolfgruber, Chairman (from May 13, 2015, Chairman from May 15, 2018)	1	(17)	21	(1)
Ralf Sikorski, Vice Chairman (from May 13, 2015)	(3)	(9)	12	1
Hans van Bylen (from August 27, 2020)	-	-	180	0
Birgit Bierther (from January 25, 2019)	-	0	9	1
Armando Dente (from August 27, 2020)	-	-	183	0
Dr. Hans-Dieter Gerriets (from July 1, 2014)	(2)	(9)	10	0
Dr. Heike Hanagarth (from July 1, 2016)	(3)	(14)	16	5
Pamela Knapp (from May 15, 2018)	55	2	28	0
Lawrence A. Rosen (from May 13, 2015)	(2)	(1)	12	(3)
Iris Schmitz (from October 1, 2021)	-	-	-	353
Manuela Strauch (from July 1, 2015)	(2)	(9)	9	1
Dr. Rainier van Roessel (from May 25, 2022)	-	-	-	-
Theo H. Walthie (from May 28, 2010, until May 25, 2022)	(15)	1	10	(61)

1) The change is against the previous year's figure adjusted for the reporting of the High Performance Materials business unit as a discontinued operation.

2) The increase is largely due to the profit transfer at LANXESS Deutschland GmbH in 2022, which was significantly higher than in the previous year as a result of the contribution of the High Performance Materials business unit to LXS Performance Materials GmbH.

3) The high percentage changes in some cases for former members of the Board of Management are due to one-time capital payments or retirement during the year.

Cologne, March 1, 2023

LANXESS Aktiengesellschaft

For the Board of Management

Matthias Zachert                      Michael Pontzen  
Chairman of the Board              Chief Financial Officer  
of Management

For the Supervisory Board

Dr. Matthias L. Wolfgruber  
Chairman of the Supervisory Board

# Auditor's Report

“To LANXESS Aktiengesellschaft, Köln

We have audited the remuneration report of LANXESS Aktiengesellschaft, Köln, for the financial year from January 1 to December 31, 2022, including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

## ***Responsibilities of the Executive Directors and the Supervisory Board***

The executive directors and the supervisory board of LANXESS Aktiengesellschaft are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

## ***Auditor's Responsibilities***

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### **Audit Opinion**

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1 to December 31, 2022 including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

### **Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG**

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

### **Restriction on use**

We issue this auditor's report on the basis of the engagement agreed with LANXESS Aktiengesellschaft. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. Section 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Cologne, March 2, 2023

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Folker Trepte  
German Public Auditor

ppa. Martin Krug  
German Public Auditor"



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