

## Allocations

Stephen C. Forsyth Member of the Board of Management Appointed June 1, 2017, resigned May 31, 2018		
€ thousand	2017	2018
Annual base salary	263	188
Compensation in kind	–	–
<b>Total</b>	<b>263</b>	<b>188</b>
<b>Annual Performance Payment (APP)</b>	<b>525</b>	<b>186</b>
<b>Multi-year variable compensation</b>	<b>–</b>	<b>–</b>
LTPB (tranche 2015–2016)	–	–
LTPB (tranche 2016–2017)	–	–
LTPB (tranche 2017–2018)	–	–
LTSP 2010–2013	–	–
LTSP 2014–2017 <sup>1)</sup>	–	–
<b>Total</b>	<b>788</b>	<b>374</b>
Service cost	–	–
<b>Total compensation</b>	<b>788</b>	<b>374</b>

1) Exercise of LTSP tranche 2014

## Compensation of the Supervisory Board

The compensation of the Supervisory Board is governed by Section 12 of the company's articles of association. 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 or a member of Supervisory Board committees is compensated separately in accordance with the German Corporate Governance Code. Supervisory Board members who belong to a committee receive one half 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. 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 and meetings of the Nominations Committee. 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.

The Supervisory Board members also receive a long-term incentive based on the company's performance during the standard term of an individual's membership on the Supervisory Board (five years). Unlike the fixed compensation component, this variable compensation component is not paid every year, but only once at the end of the standard term of office. If a Supervisory Board member serves a shorter term, the amount is prorated.

Payment of the variable compensation depends on how LANXESS's stock performs relative to the Dow Jones STOXX 600 Chemicals<sup>SM</sup> during a member's five-year term. The average price of LANXESS stock and the average level of the index during the 90 trading days prior to the Annual Stockholders' Meeting at which the Supervisory Board members were elected are each compared with the respective average for the 90 trading days prior to the Annual Stockholders' Meeting at the conclusion of which the members' terms end. The variable compensation is only payable if the stock has outperformed the benchmark index. The exact amount of the variable compensation depends on the extent to which the stock price outperformed the benchmark index in the preceding five years. If LANXESS stock has outperformed the Dow Jones STOXX 600 Chemicals<sup>SM</sup> by up to ten percentage points, the variable compensation amounts to €50 thousand for this five-year period; if it has outperformed the index by between 10 and 20 percentage points, €100 thousand is paid, and if the degree of outperformance is greater than this, the compensation is €150 thousand.

No variable compensation was paid out in fiscal year 2018.

The expected compensation payable for the current terms of office of Supervisory Board members was valued at €1,310 thousand (previous year: €950 thousand) as of December 31, 2018, and recognized as a provision.

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 breaks down the compensation received by each member of the Supervisory Board for their work on the Supervisory Board.

### Compensation of the Supervisory Board

€ <sup>1)</sup>	Year	Fixed compensation LANXESS AG	Compensation as committee member LANXESS AG	Attendance allowance	Fixed compensation LANXESS Deutschland GmbH	Total
Dr. Matthias L. Wolfgruber, Chairman (Chairman as of May 15, 2018)	2018	181,015	52,626	19,500	5,000	258,141
	2017	80,000	40,000	13,500	5,000	138,500
Dr. Rolf Stomberg, former Chairman (resigned May 15, 2018)	2018	88,478	22,120	7,500	1,843	119,941
	2017	240,000	0 <sup>2)</sup>	16,500	5,000	261,500
Ralf Sikorski, Vice Chairman	2018	120,000	40,000	16,500	5,000	181,500
	2017	120,000	40,000	16,500	5,000	181,500
Werner Czaplík	2018	80,000	40,000	18,000	5,000	143,000
	2017	80,000	40,000	15,000	5,000	140,000
Dr. Hans-Dieter Gerriets	2018	80,000	40,000	18,000	5,000	143,000
	2017	80,000	40,000	15,000	5,000	140,000
Dr. Heike Hanagarth	2018	80,000	–	12,000	5,000	97,000
	2017	80,000	–	9,000	5,000	94,000
Dr. Friedrich Janssen	2018	80,000	105,254	22,500	5,000	212,754
	2017	80,000	80,000	13,500	5,000	178,500
Pamela Knapp (appointed May 15, 2018)	2018	50,507	25,254	10,500	3,157	89,418
	2017	–	–	–	–	–
Thomas Meiers	2018	80,000	40,000	16,500	5,000	141,500
	2017	80,000	40,000	15,000	5,000	140,000
Lawrence A. Rosen	2018	80,000	40,000	18,000	5,000	143,000
	2017	80,000	40,000	13,500	5,000	138,500
Manuela Strauch	2018	80,000	40,000	19,500	5,000	144,500
	2017	80,000	40,000	16,500	5,000	141,500
Iffraim Tairi (resigned December 31, 2018)	2018	80,000	40,000	19,500	5,000	144,500
	2017	80,000	40,000	16,500	5,000	141,500
Theo H. Walthie	2018	80,000	54,746	22,500	5,000	162,246
	2017	80,000	80,000	22,500	5,000	187,500
<b>Total</b>	2018	1,160,000	540,000	220,500	60,000	1,980,500
	2017	1,160,000	480,000	183,000	60,000	1,883,000

1) Figures exclude value-added tax 2) Paid through fixed compensation as per Section 12, Paragraph 2, of the articles of association

## REPORT PURSUANT TO SECTIONS 289A, PARAGRAPH 1, AND 315A, PARAGRAPH 1, OF THE GERMAN COMMERCIAL CODE (HGB)

Pursuant to Section 289a, Paragraph 1, Sentence 1, Nos. 1 to 9, and Section 315a, Paragraph 1, Sentence 1, Nos. 1 to 9, of the German Commercial Code, we hereby make the following declarations:

- The capital stock of LANXESS AG amounted to €91,522,936 as of December 31, 2018, and is composed of 91,522,936 no-par bearer shares. All shares carry the same rights and obligations. One vote is granted per share, and profit is distributed per share. The rights and obligations arising from the shares are governed by the German Stock Corporation Act.
- We are not aware of any restrictions affecting voting rights or the transfer of shares. However, shares allocated under employee stock plans are subject to a vesting period before they may be sold.
- We received no reports of direct and indirect equity investments in the capital of LANXESS AG exceeding 10% of total voting rights.
- No shares carry special rights granting control authority.
- Employees hold a direct interest in the capital of LANXESS AG through employee stock programs. There are no restrictions on directly exercising the control rights arising from these shares.
- Sections 84 and 85 of the German Stock Corporation Act and Section 31 of the German Codetermination Act apply to the appointment and dismissal of Board of Management members. Under the provisions of these sections, Board of Management members are appointed by the Supervisory Board for a term not exceeding five years. Such appointment may be renewed or the term of office may be extended, provided that the term of each such renewal or extension shall not exceed five years. Appointments require a majority