

Corporate Governance Statement

pursuant to Sections 289f, 315d of the German Commercial Code

The Board of Management and Supervisory Board of LANXESS are committed to the principles of transparent and responsible corporate governance and control. They place high value on the standards of good corporate governance, with a view to strengthening the trust of investors, customers, employees and the public in LANXESS.

In the Corporate Governance Statement pursuant to Sections 289f, 315d of the German Commercial Code, LANXESS AG reproduces the latest declaration of compliance issued by the Board of Management and the Supervisory Board and describes the work of the Board of Management and the Supervisory Board and of the Supervisory Board committees, the corporate governance practices followed in the Group and the diversity concept for the cooperation of the Board of Management and the Supervisory Board. The statement also includes additional information on corporate governance that was previously published in the company's Corporate Governance Report.

DECLARATION OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD OF LANXESS AG PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT ON THE GERMAN CORPORATE GOVERNANCE CODE

On December 10, 2020, the Board of Management and the Supervisory Board of LANXESS AG issued the following declaration of compliance pursuant to Section 161 of the German Stock Corporation Act:

"1. From the issuance of the last declaration of compliance on December 11, 2019, until the publication of the new version of the German Corporate Governance Code (GCGC) dated December 16, 2019, on March 20, 2020, LANXESS AG fully complied with the recommendations of the Government Commission on the German Corporate Governance Code ('Government Commission') as amended on February 7, 2017, which were published on April 24, 2017, by the Federal Ministry of Justice and Consumer Protection in the official portion of the Federal Gazette.

2. Since the publication on March 20, 2020, of the Government Commission's recommendations as amended on December 16, 2019, LANXESS AG has complied with these recommendations with the following exception and will continue to comply with them with the following exception:

After the publication of the new version of the GCGC, the Supervisory Board resolved upon a new compensation system for the Board of Management, which complies with the recommendations of the new GCGC. Although the rationale states that amendments to the Code need not be taken into account in current Board of Management contracts, the new compensation system was, with one exception, implemented in existing Board of Management contracts with effect as of January 1, 2021. If not already reflected in the Board of Management contracts, recommendation G.6, according to which the share of long-term variable compensation should exceed that of short-term variable compensation, was not yet implemented in some of the existing Board of Management contracts in order to preserve the agreed weighting of the individual elements of compensation and thus the total compensation amount. In the case of future

(re) appointment of Board of Management members, the Supervisory Board will apply recommendation G.6 to all new Board of Management contracts pursuant to the new compensation system.”

The declaration of compliance can be viewed on LANXESS AG's website. Declarations of compliance from previous years are also permanently available on the website.

CORPORATE GOVERNANCE PRACTICES GOING ABOVE AND BEYOND THE LEGAL REQUIREMENTS

As an international company, LANXESS bears global responsibility for the propriety and sustainability of its conduct. Compliance, meaning the observance of all legal provisions that are binding on the LANXESS Group, ethical principles and self-imposed regulations, is therefore a fundamental requirement for all corporate activities. For this reason, LANXESS has established a Group-wide compliance management system (CMS), which is defined in the CMS policy applicable throughout the Group.

The goal of the CMS is to appropriately and effectively ensure compliance throughout the LANXESS Group, so as to counter unlawful or unethical conduct within the LANXESS Group at an early stage and introduce suitable measures to prevent misconduct. The CMS

is supported by the compliance organization, which is made up of the Group Compliance Officer, regional Compliance Officers and a network of local Compliance Officers in the countries in which LANXESS has subsidiaries. The compliance organization acts, in particular, as the central point of contact and provider of advice for all employees on compliance-related issues. The compliance function to which the global compliance organization belongs reports directly and regularly to the Board of Management.

One of the fundamental elements of the CMS is a compliance culture based on LANXESS's corporate values of respect, responsibility, integrity, professionalism and trust. It is shaped by the clear commitment and dedication of the LANXESS Board of Management and the Supervisory Board. All managerial staff at LANXESS have a duty to embody this compliance culture and communicate it to employees, so that all LANXESS employees live by and practice this compliance culture.

The aim of the LANXESS Compliance Program, which is part of the CMS, is to establish appropriate organizational measures and processes to prevent individual misconduct (prevention) or to identify misconduct as quickly as possible (identification) and react with appropriate sanctions (response). The “LANXESS Code of Conduct – Code for Integrity and Compliance at LANXESS,” which applies throughout the Group, is the cornerstone of the Compliance Program. It defines binding principles of conduct and provides employees with information and guidance on compliance. [LANXESS Code of Conduct](#)

Additional preventive measures include, in particular, an extensive portfolio of compliance briefings and targeted compliance training. Compliance risk assessments are performed regularly to identify and evaluate company-specific compliance risk areas, as well as to develop additional measures and processes for reducing compliance risks. The main risk areas identified are assigned to individual Group functions as special compliance responsibilities. These functions are developing and implementing individual compliance programs that encompass, in particular, specific Group policies, standard operating procedures and training concepts. The compliance organization supports the Group functions during both the design and implementation phases on an overall and global level.

An effective internal control system, appropriate monitoring activities and audits performed by Internal Auditing and those functions with special compliance responsibilities are designed to ensure that requirements are met. In the event of indications of compliance violations, there is a global whistleblower platform (SpeakUp) for employees and external third parties to report suspected violations (anonymously if desired), which are then investigated by the compliance organization.

We consider corporate responsibility a prerequisite for operating successfully in the future and creating value for all stakeholders. With this in mind, sustainability is a key factor for success that is at the heart of LANXESS's corporate culture and a component of our business strategy. For us, actively demonstrating corporate responsibility

involves knowing and evaluating the impact of our actions – whether positive or negative – and maintaining a dialog with stakeholders that enables us to satisfy their expectations to the best of our ability. We subscribe to globally recognized standards and frameworks such as the UN Global Compact, the standards of the International Labour Organization (ILO) and Responsible Care®. The principles of responsible business operations and sustainable development are expressed in our Corporate Policy, which defines our general corporate philosophy and the conduct expected of every single employee in relation to our stakeholders in a total of eleven guidelines. [Overview of the implementation of corporate responsibility at LANXESS](#)

WORK OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

LANXESS AG is a stock corporation established under the laws of Germany. One of the fundamental principles of German stock corporation law is the two-tier management system with the governing bodies of management board and supervisory board. This system is characterized by a clear separation between the management board as the body that manages a company and the supervisory board as the body that advises and oversees management. The management board and the supervisory board work closely together in a relationship of mutual trust for the benefit of the company.

The Board of Management of LANXESS AG has five members, namely Matthias Zachert (Chairman), Dr. Anno Borkowsky, Dr. Stephanie Coßmann, Dr. Hubert Fink and Michael Pontzen. [Information on members of the Board of Management](#)

The Board of Management is appointed to manage and represent the company. It is responsible for conducting business in the company's interests with the goal of creating sustainable value. The principal tasks of the Board of Management include defining the company's goals and strategic alignment, managing and overseeing the operating units, setting human resources policy, arranging the company's financing, and establishing an effective risk management system. The Board of Management has a duty to ensure compliance with legislation, regulatory requirements and the company's internal directives. It is also responsible for preparing the quarterly and half-year financial statements, the financial statements of LANXESS AG, the consolidated financial statements of the LANXESS Group and the management report for LANXESS AG and the LANXESS Group.

The Chairman coordinates the work of the Board of Management. As a rule, Board of Management decisions are adopted with a simple majority. In the event of a tie, the Chairman has the casting vote. Resolutions of the Board of Management are generally passed at regularly held meetings. The rules of procedure for the Board of Management that are enacted by the Supervisory Board contain further regulations concerning the form of cooperation within the Board of Management, the allocation of duties and the matters requiring resolution by the full Board of Management. The Board of Management has not formed any committees.

The company's Supervisory Board is composed of twelve members, with equal numbers of stockholder representatives and employee representatives in accordance with the provisions of the German Codetermination Act of 1976. The stockholder representatives are elected by the Annual Stockholders' Meeting, whereas the employee representatives are elected in accordance with the

provisions of the Codetermination Act and its electoral regulations. Supervisory Board members generally serve for a five-year term. However, appointments can also be made for shorter terms. No Supervisory Board member is a former member of the Board of Management of LANXESS AG.

[Information on the members of the Supervisory Board](#)

The Supervisory Board's role is to advise the Board of Management in its management of the company and to monitor its conduct of the business. The Supervisory Board discusses business performance, planning and strategy at regular intervals. Its responsibilities also include appointing the members of the Board of Management as well as reviewing the financial statements of LANXESS AG and the consolidated financial statements of the LANXESS Group. The Supervisory Board makes decisions on the Board of Management's proposed appropriation of the distributable profit and on its report to the Annual Stockholders' Meeting. The Supervisory Board reaches its decisions with a majority of the votes cast unless a different majority is stipulated by law. In the event of a tie, the Chairman of the Supervisory Board has two votes in a second ballot on the resolution, even if this also results in a tie. The German Codetermination Act contains special requirements concerning resolutions. The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, chairs its meetings and represents the concerns of the body externally. Supervisory Board resolutions are usually adopted at regularly held meetings. [An overview of the attendance of Supervisory Board members at meetings of the Supervisory Board and its committees in fiscal year 2020](#) can be found in the [Report of the Supervisory Board](#).

The Supervisory Board has issued its own rules of procedure, which, in addition to defining the tasks and responsibilities of the Supervisory Board and the personal qualifications of its members, establish the processes for convening, preparing and chairing meetings as well as the procedures for voting. [Report of the Supervisory Board's rules of procedure](#)

The Board of Management provides full and timely reports to the Supervisory Board about the progress of business and the situation of the Group, including potential risks and relevant issues relating to corporate planning. The Supervisory Board has specified the Board of Management's notification and reporting obligations in its rules of procedure. The Chairman of the Board of Management regularly exchanges information with the Chairman of the Supervisory Board in order to discuss matters of strategy, planning, business performance, the risk situation, risk management and compliance. Certain transactions and measures of major or long-term importance require the Supervisory Board's approval. Measures requiring approval include, but are not limited to: the adoption of the corporate planning, the acquisition, sale or encumbrance of real property, shareholdings or other assets, and borrowings and certain other types of financial transactions. Thresholds have been set for some of these transactions.

The Supervisory Board assesses, at regular intervals, how effective it as a whole and its committees fulfill their tasks. An external, interview-based self-assessment was carried out in fiscal year 2019. The results were presented to the Supervisory Board. The Supervisory Board discussed the recommendations for action derived from this and appropriate suggestions for their implementation.

The [Report of the Supervisory Board](#) details the Supervisory Board's work.

COMPOSITION AND WORK OF THE SUPERVISORY BOARD COMMITTEES

The Supervisory Board has a Presidial Committee, an Audit Committee, a Committee pursuant to Section 27, Paragraph 3 of the German Codetermination Act and a Nominations Committee formed from among its members. [Composition of the Supervisory Board Committees](#)

The Presidial Committee discusses key issues and prepares the meetings and resolutions of the Supervisory Board. In addition, it makes decisions on transactions requiring approval that are already included in the company's annual planning. The Presidial Committee may also resolve on the exercise of participation rights pursuant to Section 32 of the German Codetermination Act and on transactions requiring approval that cannot be deferred. It consults regularly about long-term succession planning for the Board of Management and prepares the personnel decisions to be made by the Supervisory Board. The Presidial Committee is chaired by Dr. Matthias L. Wolfgruber. The other members are Birgit Bierther, Manuela Strauch, Hans van Bylen, Ralf Sikorski and Theo H. Walthie.

The Audit Committee supports the Supervisory Board in overseeing the conduct of the business and deals with matters relating to the supervision of accounting, the accounting process, effectiveness of the internal control system, the risk management system and the

internal auditing system, as well as auditing, including the independence of the auditor and the work additionally performed by the auditor, and compliance. It prepares the Supervisory Board's resolutions concerning the annual and consolidated financial statements and recommends an auditor whom the Supervisory Board then proposes to the Annual Stockholders' Meeting for appointment. As of December 31, 2020, Audit Committee comprised the following members: Pamela Knapp (Chairwoman), Hans van Bylen, Werner Czaplík, Armando Dente, Dr. Hans-Dieter Gerriets, and Lawrence A. Rosen. The members of the Audit Committee are all familiar with the sector in which LANXESS AG operates. In accordance with German stock corporation law, the Audit Committee must have at least one member who is an expert in the areas of accounting and auditing. In addition, the Chairman or Chairwoman of the Audit Committee must be independent and have specific knowledge and experience in applying accounting principles, audits, and internal control procedures ("financial expert"). Ms. Knapp as Chairwoman of the Audit Committee fulfills these requirements because of her earlier professional practice.

The Mediation Committee pursuant to Section 27, Paragraph 3 of the German Codetermination Act performs the tasks described in Section 31, Paragraph 3 of the German Codetermination Act. The Chairman is Dr. Matthias L. Wolfgruber. The other committee members are Dr. Heike Hanagarth, Werner Czaplík and Ralf Sikorski.

The Nominations Committee comprises solely stockholder representatives and proposes candidates for the Supervisory Board to nominate for election as new members of the Supervisory Board by the Annual Stockholders' Meeting. The members of the Nominations

Committee are Dr. Matthias L. Wolfgruber (Chairman), Lawrence A. Rosen and Theo H. Walthie.

The respective committee chairmen or chairwomen report regularly to the Supervisory Board on the work of the committees.

SETTING OF TARGETS FOR FEMALE REPRESENTATION ON THE BOARD OF MANAGEMENT AND IN MANAGERIAL POSITIONS PURSUANT TO SECTIONS 76, PARAGRAPH 4, AND 111, PARAGRAPH 5, OF THE GERMAN STOCK CORPORATION ACT

Under the German Act on Equal Participation of Women and Men in Executive Positions in the Private and the Public Sector, certain companies in Germany are required to set targets for female representation on the supervisory board, the management board, and the next two management levels down, and to specify a deadline for meeting these targets. The law does not require targets to be set for the supervisory boards of listed and co-determined companies like LANXESS AG. Instead, a mandatory minimum quota of 30% women and 30% men applies. In the context of separate fulfillment, LANXESS AG's twelve-member Supervisory Board currently has four female members: Birgit Bierther, Dr. Heike Hanagarth, Pamela Knapp and Manuela Strauch. This is a ratio of over 30% women. New appointments in the future will also comply with the statutory requirements.

In fiscal year 2017, the Supervisory Board set a new target for female representation on the Board of Management. Accordingly, at least one woman was to be appointed to the Board of Management by June 30, 2022. The company achieved this target early by appointing Dr. Stephanie Coßmann as a member of the Board of Management and Labor Relations Director with effect as of January 1, 2020.

As of June 30, 2017, for the first and second management levels below the Board of Management, the previous targets for female representation have been exceeded due to the measures initiated by LANXESS to increase the number of women in management positions. On this basis, the Board of Management and the Supervisory Board adopted new targets to be implemented by June 30, 2022: the targets for female representation in the first and second levels of management were set at 15% and 25% respectively. The share of women at the first level of management was 16.7% in 2020, hence the target was exceeded again. Owing to organizational changes, the share of women at the second level of management was 23.4%. The company is striving to increase female representation.

DIVERSITY CONCEPT FOR THE COMPOSITION OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

LANXESS AG's Board of Management and Supervisory Board as a whole should reflect the principles of diversity. Both the Board of Management and the Supervisory Board of the company observe principles that particularly encompass diversity in terms of age, gender,

educational/professional background and internationality/ethnicity. This diversity contributes to a greater wealth of experience and a wider range of expertise and skills within the Board of Management and the Supervisory Board.

Board of Management diversity concept

The Supervisory Board's decisions on the filling of specific Board of Management positions are based on the interests of the company, taking all individual circumstances into account. The Supervisory Board aims to put together a Board of Management with strong leadership qualities and the most diverse and complementary composition as possible. The goal is for all Board of Management members to have the knowledge, skills and professional expertise required to successfully perform their Board of Management duties.

When appointing members of the Board of Management, the Supervisory Board considers their personal suitability, professional qualifications, integrity, leadership qualities, international experience, previous achievements and knowledge of the company and the chemical industry. Diversity is an additional criterion, especially with regard to age, gender, educational and professional background, and internationality/ethnicity.

Age

In line with recommendation B.5 GCGC, the Supervisory Board has adopted a standard age limit of 70 for the Board of Management. This is designed to enable members of the Board of Management to contribute their professional and life experience for a sufficient length of time for the benefit to the company. The Supervisory Board also seeks to ensure a balanced mix of ages so that the management of the company is guided both by

long-term professional and life experience and by the perspective of a younger generation. The balance also ensures continuity in the management of the company.

Gender diversity

LANXESS also strongly believes that gender diversity is a key component of diversity. The company therefore promotes, for example, family friendly workplace initiatives. As already mentioned, the Supervisory Board has therefore set itself the target of appointing at least one woman to the Board of Management by June 30, 2022. The company achieved this target by appointing Dr. Stephanie Coßmann as a member of the Board of Management and Labor Relations Director with effect as of January 1, 2020.

Educational and professional backgrounds

LANXESS is of the firm belief that a diverse range of educational and professional backgrounds is necessary to enable the governing bodies to fulfill the duties and responsibilities placed on them by law, the company's articles of association and the rules of procedure to the best of their ability and in the interests of the company. Varying educational and professional backgrounds also guarantee varying perspectives and approaches to solving business challenges. The members of the company's Board of Management have educational qualifications in business, science or law and diverse international management experience.

Internationality/ethnicity

LANXESS is a global company with a correspondingly wide range of customers and suppliers. LANXESS employees come from many different countries. This is why membership of the Board of Management must also be international. By international, we do not mean only in the sense of a specific nationality. A different cultural background also plays a role here. Cross-cultural characteristics and experiences, which can also be acquired through education or professional activity, are crucial. The Board of Management membership must therefore be characterized by an openness to other cultures and an understanding of international issues and relations. In many cases, the experience and skills of the members of the Board of Management have been acquired while working abroad or in an international field. [Further information about all members of the Board of Management of LANXESS AG](#)

The diversity concept described above is implemented in the Supervisory Board's process for appointing Board of Management members. Board of Management staffing issues are prepared in the Supervisory Board's Presidial Committee and then discussed and decided upon in the Supervisory Board. In the long-term succession planning for the Board of Management, the Presidial Committee and the Supervisory Board regularly communicate with the Board of Management regarding suitable internal candidates for the Board of Management, taking the current Board of Management mandates into account. If necessary, external candidates are also evaluated. When selecting the candidates, the Supervisory Board considers the requirements laid down in the diversity concept for the Board of Management.

The current composition of the Board of Management complies with the diversity concept.

Goals for composition, skills profile and diversity concept of the Supervisory Board

With the goals for its composition, skills profile and diversity concept, the Supervisory Board aims to ensure that the Board of Management receives qualified advice and supervision. Therefore, proposed candidates for appointment to the Supervisory Board should be able to perform the duties of a Supervisory Board member in an international chemicals company by virtue in particular of their personality and integrity, their professional skills and the time they have available. Sufficient diversity and independence are also taken into account. In addition to German stock corporation law and the recommendation of the GCGC, proposed appointments to the Supervisory Board consider the skills profile and the targets for the composition of the Supervisory Board. New Supervisory Board members are provided with the information relevant to their work in an onboarding process.

Goals for composition, skills profile

The members of the Supervisory Board of LANXESS AG are expected to possess the necessary expertise, skills and professional experience to perform their duties. They autonomously undertake training and are supported in their efforts by the company. In addition to the requirements applicable to each individual member of the Supervisory Board such as integrity, professionalism and independence, the entire Supervisory Board should be composed in such a way to ensure that the Board of Management receives qualified supervision

and advice. The Supervisory Board of LANXESS AG has devised a skills profile which stipulates that in-depth specialist knowledge and experience are represented in the Supervisory Board from fields such as the chemical industry, management of major international companies, production, marketing and sale of chemical products, corporate governance/compliance, M&A, corporate financing, accounting, and digitalization. In its current composition, the entire Supervisory Board fulfills these goals and completes the skills profile. The Supervisory Board members are all familiar with the sector in which LANXESS operates and possess the knowledge, skills and experience that are crucial to the company. In its proposals to the Annual Stockholders' Meeting for filling vacant positions on the Supervisory Board, the Supervisory Board will continue to take account of the targets for the composition of the Supervisory Board and, at the same time, endeavor to complete the skills profile for the entire body. [Overview of the skills profile and its fulfillment](#)

Independence

The Supervisory Board of LANXESS AG should ensure the provision of impartial advice and supervision to the Board of Management. It must include what it considers to be an appropriate number of independent members, but this number must in any event be more than half of the shareholder representatives, taking the company's ownership structure into account. Supervisory Board members are to be considered independent from the company and its Board of Management if they have no personal or business relationship with the company or its Board of Management that may cause a substantial – and

not merely temporary – conflict of interest. In particular, it must be taken into consideration whether the respective Supervisory Board member or a close family member

- › was a member of the company's Board of Management in the two years prior to appointment;
- › currently is maintaining (or has maintained) a material business relationship with the company or one of the entities dependent upon the company (e.g. as customer, supplier, lender or advisor) in the year up to his/her appointment, directly or as a shareholder, or in a leading position of a non-group entity;
- › is a close family member of a Board of Management member; or,
- › has been a member of the Supervisory Board for more than twelve years.

Moreover, no more than two former members of the Board of Management of the company may be members of the Supervisory Board. Supervisory Board members may not be members of governing bodies of, or exercise advisory functions at, significant competitors of the company or a Group entity, and may not hold any personal relationships with a significant competitor.

The Supervisory Board deems all current Supervisory Board members to be independent. In its assessment of employee representatives, the Supervisory Board also assumes that their ability to act independently is not affected by their status as employees of the company or members of labor unions. No member of the Supervisory Board has a personal or business relationship with the

company, its executive bodies, a controlling shareholder or any enterprise affiliated with a controlling shareholder that may cause a material and not merely temporary conflict of interest. The Supervisory Board also states that, for example, no former members of the Board of Management of LANXESS AG are members of the Supervisory Board. Moreover, no Supervisory Board members have a family relationship with anyone who performs or has performed a Board of Management or executive function at the company or a Group entity. No Supervisory Board members are in a contractual service relationship with the company or its management personnel. In addition, no Supervisory Board members are partners or employees of the audit company working for LANXESS. No Supervisory Board members have been in office for more than twelve years. Furthermore, the Supervisory Board sees no conflicts of interest on the part of any of its members that could cast doubt on their independence.

Age limit and length of membership

The Supervisory Board has defined an age limit for its members, which is contained in the rules of procedure for the Supervisory Board. Supervisory Board members may not currently continue to serve after the end of the Annual Stockholders' Meeting following their 75th birthday. The Supervisory Board has stipulated a maximum length of membership of the Supervisory Board of generally not more than twelve years, bearing in mind that stability in the composition of the Supervisory Board promotes trusting cooperation within the board and with the Board of Management.

Diversity

In general, the Supervisory Board should be guided by the principles of diversity in its composition. LANXESS is a global company with a correspondingly wide range of customers and suppliers. LANXESS employees come from many different countries. This is why membership of the LANXESS Supervisory Board must also be international. By international, we do not mean merely in the sense of a specific nationality. A different cultural background (ethnicity) also plays a role here. Cross-cultural characteristics and experiences, which can also be acquired through education or professional activity, are crucial. The global reach of LANXESS AG and the different cultural characteristics of Supervisory Board members have been reflected in the composition of the Supervisory Board thus far and will remain a factor in selecting candidates to be proposed to the Annual Stockholders' Meeting for election to the Supervisory Board. The company's Supervisory Board contains members from four different countries (Germany, Belgium, Netherlands, and the U.S.), who acquired much of their experience and skills while working abroad for long periods.

Diversity applies equally to gender. LANXESS AG's twelve-member Supervisory Board currently has four female members: Birgit Bierther, Dr. Heike Hanagarth, Pamela Knapp and Manuela Strauch. This is a ratio of over 30%. The company therefore complies with the legal requirements for gender diversity and will also take these into account when filling positions on the Supervisory Board in future.

Time available

Each Supervisory Board member ensures that they have sufficient time available to discharge their duties. They must be willing and able to engage with the work and to undertake necessary training. A Supervisory Board member who belongs to the management board of a listed company must not have, in aggregate, more than two supervisory board mandates in non-group listed companies or comparable functions, and must not accept the chair of a supervisory board in a non-group listed company. A member that does not belong to the management board of a listed company must not have, in aggregate, more than five supervisory board mandates at non-group listed companies or comparable functions, with an appointment as chairman or chairwoman of the supervisory board being counted twice.

Proposals of candidates to the Annual Stockholders' Meeting must take the Supervisory Board's targets for its composition into account and, at the same time, endeavor to complete the skills profile for the entire body. Candidate proposals and succession in the Supervisory Board are based on the self-set targets and the skills profile of the Supervisory Board. The current composition of the Supervisory Board complies with the targets and the skills profile.

STOCKHOLDERS AND STOCKHOLDERS' MEETINGS

The stockholders of LANXESS AG exercise their rights at the Annual Stockholders' Meeting, where they can vote on the resolutions submitted. The Annual Stockholders' Meeting resolves on all matters reserved for its decision by law, with binding effect on the stockholders and the company. Each share confers one vote.

The items resolved on by the Annual Stockholders' Meeting include appropriation of the distributable profit, ratification of the actions taken by the members of the Board of Management and the Supervisory Board, appointment of the auditors and election of the stockholder representatives to the Supervisory Board. The Annual Stockholders' Meeting also resolves on amendments to the articles of association, measures affecting the company's capital and the approval of intercompany agreements. Each year there is an Annual Stockholders' Meeting at which the Board of Management and Supervisory Board give an account of the last fiscal year. The German Stock Corporation Act requires the convening of an Extraordinary Stockholders' Meeting in certain situations.

All stockholders who register in time and prove their eligibility to attend the Annual Stockholders' Meeting and exercise their voting rights shall be allowed to participate in the Annual Stockholders' Meeting. Stockholders may exercise their voting rights at the Annual Stockholders' Meeting in person, through a proxy of their own choosing or through a company-nominated proxy who acts according to their instructions. Stockholders may also cast mail-in votes in writing or electronically.

Due to the special circumstances of the coronavirus pandemic, LANXESS AG held its 2020 Annual Stockholders' Meeting on August 27, 2020, as a virtual Annual Stockholders' Meeting without the physical presence of the stockholders or their authorized representatives on the basis of the German Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency and Criminal Procedure Law of March 27, 2020 (COVID-19 Act).

COMPENSATION REPORT

The [Compensation report](#), which describes the compensation system and the amount of compensation paid to the members of the Board of Management and Supervisory Board for their service in fiscal year 2020, is part of the combined management report for LANXESS AG and the LANXESS Group. It also contains a description of the adjusted Board of Management compensation system in place since the start of 2021, which will be presented to the stockholders for approval at the 2021 Annual Stockholders' Meeting. [Compensation report](#)

REPORTABLE SECURITIES TRANSACTIONS

Members of the Board of Management and Supervisory Board and persons closely related to them are required to disclose transactions in shares or debt securities of LANXESS AG or associated financial instruments if the

total volume of such transactions in any given calendar year equals or exceeds €20,000. Reportable securities transactions are published on the LANXESS website.

The total number of shares of LANXESS AG held by members of the Board of Management and Supervisory Board as of December 31, 2020, was less than 1% of all shares issued by the company.

RISK MANAGEMENT AND COMPLIANCE

The Board of Management sees systematic and effective risk and opportunity management as an important part of good corporate governance and as an integral component of value-oriented management. This is a systematic, Group-wide process, which helps the Board of Management to identify, assess, manage and minimize risks and opportunities. The risk management system is continuously updated and adapted to the changing conditions. The Board of Management regularly informs the Supervisory Board of potential risks and their development. The Audit Committee regularly reviews the effectiveness of the risk management system and the internal control and auditing system.

Key characteristics of the risk management system and internal control system can be found in the combined management report for LANXESS AG and the LANXESS Group.

ACCOUNTING AND AUDITING

LANXESS AG prepares its consolidated financial statements and interim financial statements in line with the International Financial Reporting Standards (IFRS), as applicable in the European Union. The annual financial statements of LANXESS AG are prepared in accordance with the provisions of the German Commercial Code. After being adopted and approved by the Supervisory Board, the annual financial statements and consolidated financial statements of LANXESS AG as well as the combined management report are published within 90 days after the end of the fiscal year. The company's accounting for fiscal year 2020 was audited by the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC). The condensed financial statements and interim management report included in the 2020 half-year financial report were also reviewed by PwC. PwC was appointed following an external tender procedure, which last took place in 2016. Jörg Sechser has been the responsible auditor since 2017. The audits are conducted in line with German auditing regulations and in compliance with the German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). The statutory requirements and rotation obligations in Sections 319 and 319a of the German Commercial Code are fulfilled. The auditor has agreed to immediately inform the Supervisory Board of any possible reasons for disqualification or conflicts that may arise, as well as any material findings or events in the course of the audit.

OFFICES HELD BY BOARD OF MANAGEMENT MEMBERS

Offices Held by Serving Board of Management Members (as of December 31, 2020)

| Member of the Board of Management | External offices | Offices within the LANXESS Group |
|--|--|---|
| Matthias Zachert | | |
| Chairman of the Board of Management | • Member of the Supervisory Board of Siemens AG, Berlin and Munich | • Chairman of the Executive Board of LANXESS Deutschland GmbH |
| Dr. Anno Borkowsky | | |
| Member of the Board of Management | | • Member of the Executive Board of LANXESS Deutschland GmbH • Chairman of the Board of Directors of LANXESS Hong Kong Ltd. • Chairman of the Board of Directors of LANXESS Corp. • Chairman of the Board of Directors of LANXESS Chemical (China) Co. Ltd. • Chairman of the Board of Directors of LANXESS India Private Ltd. |
| Dr. Hubert Fink | | |
| Member of the Board of Management | | • Member of the Executive Board of LANXESS Deutschland GmbH • Chairman of the Supervisory Board of Saltigo GmbH • Executive member of the Board of Administration of LANXESS N.V. |
| Michael Pontzen | | |
| Member of the Board of Management and Chief Financial Officer | | • Member of the Executive Board of LANXESS Deutschland GmbH • Member of the Board of Directors of LANXESS Corp. • Member of the Board of Directors of LANXESS Solutions Korea Inc. |
| Dr. Stephanie Coßmann | | |
| Member of the Board of Management and Labor Relations Director | | • Member of the Executive Board of LANXESS Deutschland GmbH • Member of the Board of Administration of LANXESS N.V. |

SUPERVISORY BOARD OF LANXESS AG

Serving Members

Dr. Matthias L. Wolfgruber (Chairman)

- Self-employed consultant
- Former Chairman of the Management Board of ALTANA AG

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾ (Chairman)
- ALTANA AG, Wesel¹⁾ (Chairman of the Supervisory Board since May 29, 2020)
- Grillo Werke AG, Duisburg¹⁾ (office relinquished as of March 31, 2021)
- ARDEX GmbH, Witten (Chairman of the Advisory Board) (office relinquished as of March 31, 2021)
- Cabot Corporation, Boston, Massachusetts, U.S.

Birgit Bierther

- Chairwoman of the LANXESS Works Council at the Cologne site

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾

Hans van Bylen (since August 27, 2020)

- Self-employed consultant
- Former Chairman of the Management Board of Henkel AG & Co. KGaA
- Former President of Verband der Chemischen Industrie e.V. (VCI)

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾ (since August 27, 2020)
- Ontex Group NV, Erembodegem (Aalst), Belgium (Chairman)
- Etex NV, Luchthaven Brussel Nationaal, Belgium
- SN Airholding NV, Brussels, Belgium

Werner Czaplak

- Chairman of the LANXESS Central Works Council and of the LANXESS Group Works Council
- Member of the LANXESS Works Council at the Leverkusen site

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾

Serving Members

Armando Dente (since August 27, 2020)

- District manager at IGBCE, Cologne-Bonn district

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾ (since August 27, 2020)
- INEOS Deutschland Holding GmbH, Cologne¹⁾
- INEOS Manufacturing Deutschland GmbH, Cologne¹⁾

Dr. Hans-Dieter Gerriets

- Chairman of the LANXESS Group Managerial Employees' Committee and Chairman of the LANXESS Managerial Employees' Committee; manager of a production facility in the Advanced Industrial Intermediates business unit of LANXESS Deutschland GmbH

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾

Dr. Heike Hanagarth

- Self-employed management consultant
- Former member of the Board of Management of Deutsche Bahn AG, Berlin

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾
- Gilde Buy Out Partners BV, Utrecht, Netherlands
- NXT Boardroom GmbH, Munich (Advisory Board)

Pamela Knapp

- Member of the Boards of Management and Supervisory Boards of various European commercial enterprises
- Former CFO of GfK SE

Further offices:

- Compagnie de Saint-Gobain S.A., Courbevoie, France (Member of the Board of Directors – Conseil d'Administration)
- Peugeot S.A., Rueil-Malmaison, France (Member of the Supervisory Board – Conseil de Surveillance)
- Signify NV, Eindhoven, Netherlands (Member of the Supervisory Board since May 13, 2020)
- HKP Deutschland GmbH (member of the Advisory Board since January 1, 2020)

Serving Members

Lawrence A. Rosen

- Member of the Supervisory Boards of various commercial enterprises
- Former member of the Board of Management of Deutsche Post AG, Bonn

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾
- Qiagen N.V., Venlo, Netherlands (Chairman of the Supervisory Board since August 11, 2020)
- Deutsche Post AG (since August 27, 2020)

Ralf Sikorski

- Vice Chairman of the German Mining, Chemical and Energy Industrial Union, Hanover

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾ (Vice Chairman)
- Chemie Pensionsfonds AG, Munich¹⁾
- RAG AG, Herne¹⁾
- RWE AG, Essen¹⁾
- RWE Power AG, Cologne and Essen¹⁾ (Vice Chairman)
- RWE Generation SE, Essen¹⁾
- KSBG – Kommunale Verwaltungsgesellschaft GmbH, Essen¹⁾ (Vice Chairman)

Manuela Strauch

- Chairwoman of the LANXESS Works Council at the Uerdingen site
- Member of the LANXESS Central Works Council
- Vice Chairwoman of the LANXESS Group Works Council

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾

Theo H. Walthie

- Self-employed consultant
- Former Global Business Group President for the Hydrocarbons & Energy Business of the Dow Chemical Company

Further offices:

- LANXESS Deutschland GmbH, Cologne¹⁾

¹⁾ Statutory supervisory boards.

The information about offices held refers to memberships in other supervisory boards and comparable supervisory bodies of companies in Germany and abroad (as of December 31, 2020).