

**Wacker Chemie AG
Annual Shareholders' Meeting 2020**

Authorization to Acquire Treasury Shares

Report by the Executive Board on Agenda Item 6

Pursuant to agenda item 6, the following proposal is to be put to the Annual Shareholders' Meeting: to authorize the Company to acquire treasury shares in accordance with Section 71 (1), no. 8, of the German Stock Corporation Act ("AktG"). This authorization applies for the period until August 3, 2025. It is limited to a total of 10 percent of the share capital existing at the time the resolution is adopted or, if lower, at the time this authorization is exercised, and includes the treasury shares already acquired and still held by the Company. Pursuant to the proposed resolution, the Company may sell or issue the treasury shares acquired on the basis of this authorization, in some cases with exclusion of shareholders' preemptive rights.

The authorization to acquire and utilize treasury shares granted by the Annual Shareholders' Meeting of May 8, 2015, expired on May 7, 2020. This new authorization shall therefore be valid for the maximum period permitted by law of five years. Treasury shares may only be acquired in the stock market or by way of a public offer to all shareholders. Public tender offers can also be made by way of a solicitation of offers to sell. This gives all shareholders the same opportunity to sell shares to the Company should the Company decide to act on this authorization to acquire treasury shares. If the number of shares offered for tender or sale exceeds the total volume of shares that the Company intended to acquire, the shareholder's right to tender may be excluded to the extent that acquisition shall be in proportion to the respective shares offered per shareholder to simplify the allotment procedure. Preferred acceptance of a limited number of up to 100 shares offered per shareholder may be provided for. Furthermore, provision may be made for rounding in according with business principles. The Executive Board considers an exclusion of any further right of shareholders to tender here to be justified and reasonable toward shareholders.

As stipulated by law, the Company may resell the treasury shares acquired either in the stock market or by way of a public offer to all shareholders. These selling options safeguard the shareholders' right to equal treatment whenever shares are reissued. The proposed resolution further provides that the Executive Board be authorized, with the consent of the Supervisory Board, to dispose of the treasury shares acquired on the basis of this authorization by means other than in the stock market or by way of an offer to all shareholders, provided these shares are sold at a price that does not significantly undercut the stock market price of the Company's shares at the time of their disposal. This authorization amounts to an exclusion of shareholders' preemptive rights. It makes use of the option permitted by the German Stock Corporation Act in Section 71 (1), no. 8, when Section 186 (3), sentence 4, AktG is applied accordingly, to facilitate the exclusion of preemptive rights. This option serves the Company's interests mainly by giving it the opportunity to offer its shares to institutional investors and/or to enlarge its shareholder base. As a result, the Company will also be in a position to react quickly and flexibly to favorable stock market situations. To safeguard shareholders' interests, the shares may be sold only at a price that does not significantly undercut the stock market price of the Company's shares at the time of their disposal. If shares are to be sold, the total value of disposals must not exceed 10 percent of the share capital at the time the resolution is adopted at the Annual Shareholders' Meeting or, if lower, at the time this authorization is exercised. Shares that are issued or sold during the term of this acquisition authorization until the time of its use, applying Section 186 (3), sentence 4, AktG directly or by analogy, must be counted toward this limitation. The limitation further extends to shares that were issued or granted, or are still to be issued or granted, on the basis of convertible and/or warrant-linked bonds issued during the term of this acquisition authorization until its use with exclusion of

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preemptive rights in accordance with Section 186 (3), sentence 4, AktG. Including these deductions in the total ensures that acquired treasury shares are not sold with exclusion of preemptive rights in line with Section 186 (3), sentence 4, AktG if such direct or indirect application of Section 186 (3), sentence 4, AktG were to result, for no particular material reason, in the exclusion of shareholders' preemptive rights for more than 10 percent of the capital stock. This broad restriction favors shareholders who want to maintain as much of their proportionate interest as possible.

The Executive Board shall further be authorized, with the consent of the Supervisory Board, to utilize the treasury shares acquired based on the proposed authorization as consideration for acquisitions of businesses, parts of businesses or equity interests in other businesses, or other assets or rights to acquire assets including receivables from the Company or its affiliated companies as defined by Sections 15 *et seq.* AktG. Global competition increasingly demands this type of acquisition financing. The proposed authorization is intended to give the Company the necessary leeway to respond quickly and flexibly to any opportunities for acquisitions. This is reflected in the proposed exclusion of preemptive rights. In determining the valuation ratios, the Executive Board will ensure that the shareholders' interests are appropriately upheld. The Executive Board will solely pursue the interests of the Company and its shareholders when deciding on which type of share purchase to exercise in order to finance such transactions.

Finally, it shall be possible for the Executive Board, with the consent of the Supervisory Board, to retire the treasury shares acquired based on this authorization without requiring a new shareholder resolution to that effect. Shares can be retired with or without a capital reduction; in the latter case, the prorated amount of capital stock per share is increased. In this case, the Executive Board is authorized to amend the statement of the number of shares in the Articles of Association.

Proposed as a resolution to be adopted under agenda item 6, this authorization to utilize treasury shares in ways other than selling them in the stock market or by way of an offer to all shareholders relates solely to those treasury shares acquired based on this same authorization being proposed for shareholder approval under agenda item 6 at the Annual Shareholders' Meeting of August 4, 2020. It does not relate to any other shares that the Company already owns. This expressly means the total of 782,300 shares already owned by the Company. With respect to these shares, the Annual Shareholders' Meeting of March 15, 2006, resolved that said shares could only be sold or used if an appropriate resolution were adopted at an Annual Shareholders' Meeting. We expressly state that this resolution of 2006 remains valid.

At the upcoming Annual Shareholders' Meeting, the Executive Board will report on whether it has exercised its authorization to acquire treasury shares.

Munich, May 2020

Dr. Rudolf Staudigl

(President & CEO)

Dr. Christian Hartel

(Member of the Executive Board)

Dr. Tobias Ohler

(Member of the Executive Board)

Auguste Willems

(Member of the Executive Board)