

**ARTICLES OF ASSOCIATION**

of

**Wacker Chemie AG**

**I. General Provisions**

**Section 1**

**Name, Registered Office, Financial Year and Announcements**

- (1) The name of the Company is:

**Wacker Chemie AG.**

- (2) Its registered office is in Munich, Germany.
- (3) The financial year is the calendar year.
- (4) Announcements made by the Company are published in the German Federal Gazette (Bundesanzeiger).

**Section 2**

**Purpose of the Company**

- (1) The purpose of the Company is to manufacture and distribute chemical, biotechnological and metallic products, and to conduct research into these areas, both within Germany and abroad.
- (2) The Company is entitled to undertake all measures and carry on all business that is suitable for promoting its corporate purposes. This shall include the setting up of branch offices as well as the acquisition and establishment of other enterprises and the investment in the same, both within Germany and abroad. It is entitled to manage such enterprises or limit itself to the administration of its investments in same. It is entitled to outsource its operations in whole or in part to affiliated enterprises.

## **II. Capital Stock and Shares**

### **Section 3 Capital Stock and Shares**

- (1) The total capital stock of the Company shall amount to € 260,763,000 (in words: two hundred and sixty million, seven hundred and sixty-three thousand euros). The capital stock shall be provided through the change of form of Wacker-Chemie Gesellschaft mit beschränkter Haftung (whose registered office is in Munich) pursuant to Section 190 et seq. of the German Transformation of Companies Act (UmwG).
- (2) The capital stock shall be divided into 52,152,600 non-par value shares. The shares shall be bearer shares.
- (3) The Executive Board shall determine the form which the share certificates should take.
- (4) Shareholders shall not be entitled to demand that they be issued with share certificates.
- (5) In the event that the Company increases its capital, the right of the new shareholders to participate in profits may differ from the manner described in Section 60 of the German Stock Corporation Act (AktG).

## **III. Executive Board**

### **Section 4 Composition and Rules of Procedure**

- (1) The Executive Board shall be comprised of one or more persons. The number of members of the Executive Board shall be decided by the Supervisory Board. The Supervisory Board may appoint representatives for members of the Executive Board.
- (2) The Supervisory Board shall appoint one member of the Executive Board to be the board's president and chief executive officer.
- (3) The Supervisory Board shall issue rules of procedure for the Executive Board which indicate, in particular, those business transactions that require the consent of the Supervisory Board.

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**Section 5**  
**Power of Representation**

- (1) The Company shall be represented by one member of the Executive Board alone if the Executive Board is comprised of only one person or if the Supervisory Board has authorized one member of the Executive Board to represent the Company alone. Otherwise the Company shall be represented by two members of the Executive Board or by a member of the Executive Board and an executive vested with power of commercial representation under German law (*Prokura*) acting together.
- (2) It shall only be possible to grant joint powers of commercial representation.
- (3) The Supervisory Board may release all or specific members of the Executive Board (as well as all or specific authorized signatories vested with power of commercial representation if acting together with a member of the Executive Board) from the prohibition on multiple representation according to Section 181, 2nd alternative of the German Civil Code (BGB). Section 112 of the German Stock Corporation Act (AktG) remains unaffected thereby.

**IV. Supervisory Board**

**Section 6**  
**Composition, Elections and Duration of Service**

- (1) The Supervisory Board shall be comprised of sixteen members. Eight (8) of its members shall be appointed by the Annual Shareholders' Meeting and eight (8) of its members shall be appointed by the employees pursuant to the provisions of the German Co-Determination Act (MitbestG). The Annual Shareholders' Meeting shall appoint candidates individually. Several or all of the Supervisory Board members may be appointed at one election. No more than two former members of the Executive Board may be members of the Supervisory Board.
- (2) The members of the Supervisory Board and any replacement members shall be elected for the period up until the end of the Annual Shareholders' Meeting which adopts the resolutions concerning the ratification of acts of management for the fourth financial year following the commencement of the members' term of office; the financial year in which the members' term of office begins shall not be counted. The Annual Shareholders' Meeting may decide upon a shorter term of office at the above election. If a successor is elected to replace a member leaving the Supervisory Board prior to the expiration of his term of office, the successor's term of office shall run for the

remainder of the replaced member's term unless the Annual Shareholders' Meeting decides upon a different term of office for the successor.

- (3) It shall be possible when electing a member of the Supervisory Board to elect a replacement for him at the same time; the replacement shall become a member of the Supervisory Board if the Supervisory Board member leaves prior to the expiration of his term of office and no successor for him has been appointed. The term of office of a successor to a Supervisory Board member elected by the shareholders shall expire as soon as a successor for the outgoing member of the Supervisory Board is appointed; at the latest it shall expire when the term of office of the outgoing member of the Supervisory Board expires.
- (4) The members and the replacement members of the Supervisory Board may resign from office without having to show good cause by giving the Executive Board or the chairman of the Supervisory Board four weeks' written notice of resignation. The chairman of the Supervisory Board – or the deputy chairman should the chairman resign – may agree to shorten this notice period or to dispense with it entirely.

### **Section 7**

#### **Chairman and Deputy Chairman**

- (1) The Supervisory Board shall appoint a chairman and a deputy chairman from its members in accordance with Section 27 (1) and (2) of the German Co-Determination Act. The term of office of the chairman and the deputy chairman shall be the same as their term of office as members of the Supervisory Board unless a shorter term of office was decided at the election. Following the end of the Annual Shareholders' Meeting at which the members of the Supervisory Board were newly elected, the Supervisory Board shall elect the chairman and deputy chairman at a meeting for which no special invitation is required.
- (2) If the chairman or his deputy leave office prematurely, the Supervisory Board must immediately call a new election.

### **Section 8**

#### **Rules of Procedure and Amendments to the Articles of Association**

- (1) Within the framework of the mandatory statutory provisions and these Articles of Association, the Supervisory Board enacts its own rules of procedure.
- (2) The Supervisory Board shall be authorized to decide upon amendments to the Articles of Association which only relate to their wording.

**Section 9**  
**Notice of Meeting**

- (1) The chairman shall give fourteen days' notice of a meeting of the Supervisory Board in text form (in writing, as a fax or by email); where he is unable to do so, his deputy shall do so. The calculation of notice shall exclude the day the invitation is sent and the day of the meeting. In urgent cases, the chairman may shorten the notice period and give notice of a meeting orally or by telephone.
- (2) The invitation to the meeting must specify the individual points on the agenda. Notice of any additions to the agenda must be given no later than seven days prior to the meeting unless later notification is justified by an urgency.
- (3) The chairman shall be entitled to cancel or postpone a meeting at his discretion.
- (4) The Supervisory Board must hold at least four meetings in each calendar year and at least two meetings in each calendar half year.

**Section 10**  
**Existence of a Quorum and Adoption of Resolutions**

- (1) The Supervisory Board shall be quorate if, after all members have been invited to a meeting, at least half of the required total of members participate in the adoption of a resolution.
- (2) Resolutions shall be adopted with a simple majority of the votes cast unless mandatory statutory provisions require a different majority. If voting by the Supervisory Board results in an equal number of votes, and if a second vote on the same topic also results in an equal number of votes, then the chairman shall be entitled to cast two votes. Section 108 (3) of the German Stock Corporation Act shall also be applied to the casting of the second vote. The deputy chairman shall not be entitled to a second vote. The chairman shall determine how the meeting should be conducted and the manner of voting. He shall decide in the event that there is an equal number of votes whether a second vote will be taken at the same meeting.
- (3) The Supervisory Board shall only adopt resolutions on topics on the agenda if they have been duly notified in the invitation to the meeting. If notice of a topic on the agenda was not given in advance, it shall only be possible to adopt a resolution in respect thereof if no member objects thereto. In such cases, members of the Supervisory Board who were absent must be given an opportunity to subsequently object to the adoption of the resolution within a reasonable time limit to be determined by the

chairman. The resolution shall first become effective if the absent member of the Supervisory Board has not objected within the time limit for doing so.

- (4) The Supervisory Board shall, as a rule, adopt resolutions at meetings. Absent members of the Supervisory Board may participate in the adoption of resolutions by the Supervisory Board and its committees by having their votes submitted in writing by other members of the Supervisory Board.
- (5) The chairman may decree that the Supervisory Board is also entitled to adopt resolutions in a telephone or video conference or outside of a meeting by votes cast orally, by telephone, in writing or in text form. There shall be no right to object to the manner of adopting resolutions decreed by the chairman. Such resolutions shall be recorded in writing by the chairman and copies thereof shall be forwarded to all members.
- (6) A record of the negotiations and resolutions of the Supervisory Board shall be prepared; it shall be signed by the chairman and a copy shall be forwarded to each member of the Supervisory Board.
- (7) The chairman and, where he is unable to do so, the deputy chairman shall be authorized to submit declarations of intention in the name of the Supervisory Board.

### **Section 11**

#### **Rules of Procedure and Committees**

- (1) The Supervisory Board shall set up a committee to carry out the tasks specified in Section 31 (3) of the German Co-Determination Act immediately after the chairman and his deputy have been elected. The committee shall be comprised of the chairman and his deputy and two additional members. One such additional member shall be elected by a majority of the votes cast by the members of the Supervisory Board elected by the employees and the other additional member shall be elected by a majority of the votes cast by the members of the Supervisory Board elected by the shareholders.
- (2) The Supervisory Board shall be entitled to set up additional committees and appoint its members to serve on such committees. It shall be possible to the extent permitted by law for the Supervisory Board to transfer its decision-making powers to such committees.
- (3) The Supervisory Board shall be responsible for determining the composition, powers and procedures of the committees.

**Section 12**  
**Compensation of the Supervisory Board**

- (1) The members of the Supervisory Board shall receive fixed annual compensation payable at the end of the financial year amounting to € 100,000 (in words: one hundred thousand euros). Members of the Supervisory Board who join or leave the Supervisory Board during a financial year shall receive a pro rata share of such compensation.
- (2) The compensation outlined in Subsection 1 above shall be multiplied by a factor of 3 for the chairman of the Supervisory Board, by a factor of 2 for his deputy or a chairman of a committee and by a factor of 1.5 for any member of a committee. Where a person serves in more than one function, his additional functions shall not be taken into account, i.e. the chairman and his deputy shall not be entitled to additional factors if they serve on multiple committees and where members of the Supervisory Board serve on multiple committees, their service shall only be taken into account once.
- (3) The Company shall reimburse the members of the Supervisory Board for their necessary expenses in the form of a flat fee. The flat fee shall be € 25,000 (in words: twenty five thousand euros) per calendar year. The Company shall reimburse the members of the Supervisory Board for value-added tax provided that they are entitled to charge the Company this tax separately and they exercise this right.
- (4) The Company shall arrange adequate insurance protection for the members of the Supervisory Board; in particular it shall take out D&O insurance for them.

**V. Annual Shareholders' Meeting**

**Section 13**  
**Place and Notice of Meeting**

- (1) The Annual Shareholders' Meeting shall be held at the registered office of the Company, at the registered office of a German stock exchange or in a German city with more than 100,000 inhabitants.
- (2) Notice of the Annual Shareholders' Meeting shall be given at least 30 days prior to the day on which the Annual Shareholders' Meeting is to be held. The day of the notification and the day it is held shall not be included. The deadline for notification shall be extended by the number of days of the registration period, pursuant to Section 14 (1) of the Articles of Association.

**Section 14**  
**Right of Participation and Voting by Proxy**

- (1) Only those shareholders whose written registration has been received at least six days prior to the Annual Shareholders' Meeting (i.e. within the registration period) by the company or an office specified in the notice calling said meeting shall be entitled to attend and vote at the Annual Shareholders' Meeting.
- (2) Shareholders must provide proof of their entitlement to participate in and vote at the Annual Shareholders' Meeting. This requires a written record of share ownership issued by the last intermediary in accordance with legal requirements. The record must refer to the point in time provided for in the German Stock Corporation Act and be received by the Company, or by an office specified in the notice calling the Annual Shareholders' Meeting, within the registration period in accordance with Section 14 (1) above.
- (3) Shareholders may exercise their voting rights through an authorized representative. The granting and revocation of proxy authorization, and the presenting of proof of authorization to the Company, must be in text form, unless the meeting notice provides for simplifications in this respect. Details regarding the granting and revocation of proxy authorization, and the presenting of proof thereof to the Company, will be included and made public in the notice calling the Annual Shareholders' Meeting. Section 135 of the German Stock Corporation Act remains unaffected.
- (4) The Executive Board is authorized to enable shareholders to take part in the Annual Shareholders' Meeting even without being present at the location where it is being held and without needing to send an authorized representative, and to exercise any or all of their rights in full or in part by electronic means. The Executive Board shall determine the details of this procedure and make them known in the notice calling the Annual Shareholders' Meeting.
- (5) The Executive Board is authorized to allow shareholders to cast their votes, even without attending the Annual Shareholders' Meeting, either in text form or by electronic means (postal vote). The Executive Board shall determine the details of this procedure and make them known in the notice calling the Annual Shareholders' Meeting.

**Section 15**  
**Chairmanship of the Annual Shareholders' Meeting**

- (1) The chairman of the Supervisory Board shall chair the Annual Shareholders' Meeting. Where he is unable to do so, he must select another member of the Supervisory Board

to perform this task. Where the chairman is unable to chair the Annual Shareholders' Meeting and he has not selected a replacement, the Annual Shareholders' Meeting shall be chaired by a person elected by those Supervisory Board members elected by the shareholders.

- (2) The chairman may decide that topics on the agenda be dealt with in a sequence that differs from the notified sequence. He may determine type, form and sequence of voting. He is entitled to impose a suitable limit on the allowed time for shareholders to speak and ask questions.

### **Section 16**

#### **Broadcasting the Annual Shareholders' Meeting**

- (1) An audiovisual broadcast of the Annual Shareholders' Meeting may be made available to the public.
- (2) The details of the broadcast shall be determined by the Executive Board in consultation with the Supervisory Board. During the Annual Shareholders' Meeting, the final say shall lie with the meeting's chairman.
- (3) If the Annual Shareholders' Meeting is to be broadcast, then the invitation must mention this, and additional details must be given.

### **Section 17**

#### **Participation of Executive Board and Supervisory Board**

- (1) The members of the Executive Board and the Supervisory Board shall participate in the Annual Shareholders' Meeting.
- (2) It shall be possible for members of the Supervisory Board to participate in the Annual Shareholders' Meeting by using an audiovisual broadcast if they are resident abroad or are unable to participate in the Annual Shareholders' Meeting because they are fulfilling their own business obligations on the day the meeting is held.
- (3) The chairman of the Supervisory Board shall be responsible for determining how the audiovisual broadcast shall be brought about.

**Section 18**  
**Adoption of Resolutions and Voting**

Each non-par value share shall equate to one vote at the Annual Shareholders' Meeting. Resolutions shall be adopted by the Annual Shareholders' Meeting with a simple majority of the votes cast unless mandatory statutory provisions require a different majority. In cases where the law requires a majority of the votes cast by capital-stock representatives during the adoption of resolutions, a simple majority of said votes shall be sufficient unless mandatory statutory provisions stipulate otherwise.

**VI. Annual Financial Statements, Appropriation of Profits,  
Ordinary Annual Shareholders' Meeting**

**Section 19**  
**Annual Financial Statements**

- (1) The Executive Board must prepare the annual financial statements and management report as well as the consolidated financial statements and the consolidated management report for the previous financial year within the statutory time limits for doing so and submit them to the Supervisory Board and auditors immediately thereafter. At the same time, the Executive Board must submit a proposal to the Supervisory Board on how to use the retained profit.
- (2) When approving the annual financial statements, the Executive and Supervisory Boards shall be authorized to allocate the net income for the financial year, which remains after the amounts which have to be allocated to statutory reserves and a loss carry forward has been deducted, in whole or in part to other retained earnings. They shall not be permitted to allocate an amount greater than half of the net income for the financial year to retained earnings if the other retained earnings exceed half of the capital stock or after such allocation would exceed half of the capital stock.

**Section 20**  
**Appropriation of Profits and the Ordinary Annual Shareholders' Meeting**

- (1) During the first eight months of each financial year, the Annual Shareholders' Meeting shall decide on the ratification of the actions of the members of the Executive Board and of the Supervisory Board, on the use of retained profit and on the appointment of the auditors (ordinary Annual Shareholders' Meeting).

- (2) The Annual Shareholders' Meeting may decide that the retained profit should take the form of a non-cash dividend instead of, or in addition to, a cash dividend.
- (3) With the consent of the Supervisory Board, the Executive Board is authorized to pay the shareholders an interim dividend after the close of a financial year, providing that the interim financial statements show a net profit for that year. The interim dividend shall not exceed half of the net income remaining after the amounts stipulated by law or by the Articles of Association have been allocated to retained earnings. Additionally, the interim dividend may not exceed half of the previous year's retained profit.

**Section 21**  
**Costs of Incorporation**

The Company shall bear up to € 50,000 in costs for the change of legal form and the associated costs of incorporating the Company, in particular the costs pertaining to the registration court, notary public, publication, the examination for incorporation, and the legal and tax advice.