

# **Wacker Chemie AG**

## **Munich**

Security ID Number [WKN]: WCH888

ISIN: DE000WCH8881

### **Invitation**

We hereby invite our Company's shareholders to attend our Annual Shareholders' Meeting at the ICM – International Congress Centre Munich (Munich-Riem, Am Messesee 6, 81829 Munich, Germany) on Friday, May 21, 2010, starting at 10 a.m.

### **Agenda**

- 1. Presentation of the adopted Annual Financial Statements as per December 31, 2009, the Wacker Chemie AG and Group Management Reports for 2009, the Approved Consolidated Financial Statements as per December 31, 2009, the 2009 Supervisory Board Report and the Executive Board's Explanatory Report on the information, pursuant to Section 289 (4) and Section 315 (4) of the German Commercial Code (HGB)**

- 2. Resolution on the Appropriation of Profits**

The Executive and Supervisory Boards propose that 2009's retained profit, amounting to €533,408,890.31, be appropriated as follows:

1. Distribution to shareholders €59,613,579.60

As the share capital of €260,763,000.00 is composed of 52,152,600 non-par value shares and the 2,474,617 treasury shares held by the Company do not entitle the Company to any rights, the distribution to shareholders corresponds to a total dividend per dividend-bearing share of €1.20.

2. Carryforward to new account €473,795,310.71

- 3. Resolution on the Ratification of the Actions of the Executive Board**

The Executive and Supervisory Boards propose the ratification of the actions of Wacker Chemie AG's Executive Board members with respect to fiscal 2009.

#### **4. Resolution on the Ratification of the Actions of the Supervisory Board**

The Executive and Supervisory Boards propose the ratification of the actions of Wacker Chemie AG's Supervisory Board members with respect to fiscal 2009.

#### **5. Resolution on the Choice of Auditor**

Based on the recommendation of the Audit Committee, the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be chosen as auditor of the annual financial statements and consolidated financial statements for the fiscal year ending December 31, 2010. This proposal includes the appointment of KPMG as auditor for any audit of the condensed financial statements and interim management report that are to be prepared as part of the half-yearly financial report under Sections 37 w and 37 y of the German Securities Trading Act (WpHG).

#### **6. Authorization to Acquire Treasury Shares**

Pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act (AktG), the acquisition and disposition of treasury shares by the Company is only possible by means of a resolution of authorization passed at the Annual Shareholders' Meeting.

The authorization to acquire treasury shares passed at the Annual Shareholders' Meeting on May 8, 2009 will expire on November 7, 2010. Therefore, a proposal shall be made at the Annual Shareholders' Meeting to pass a new authorization resolution.

Consequent to the amendment of Section 71 (1) No. 8 of the German Stock Corporation Act by the Act Implementing the Shareholders' Rights Directive (ARUG) of July 30, 2009, the authorization can now be granted for a period of up to five years instead of just 18 months.

The Executive and Supervisory Boards shall therefore propose the following resolution:

Upon revoking the authorization granted on May 8, 2009, the Executive Board shall be authorized – until May 20, 2015, and with the consent of the Supervisory Board – to acquire treasury shares representing up to 10% of the current share capital for purposes other than securities trading. Treasury shares must not be acquired for the purposes of trading in such shares. The shares acquired on the basis of this authorization – together with the other shares the Company has already acquired and still holds – must not exceed 10% of the share capital. The treasury shares may be acquired on the stock market or by way of a public offer to all shareholders. If the treasury shares are acquired on the stock market, the acquisition price (not including incidental acquisition costs) must not be more than 10% above or below the stock market price; if acquired by way of a public offer, the offering price (not including incidental acquisition costs) must not be more than 10% above or below the stock market price. If the treasury shares are acquired on the stock market, the applicable market price in relation to the above provision is the average price of the Company's shares in the closing auction in XETRA trading (or on an equivalent system replacing the XETRA system) during the last three trading days prior to the shares' acquisition. If the treasury shares are acquired by way of a public offer to all shareholders, the applicable market price is the average price of the Company's shares in the closing auction in XETRA trading (or on an equivalent system

replacing the XETRA system) during the last three trading days prior to the publication of the decision to make that offer.

The Executive Board is also 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 on the stock market or by way of an offer to all shareholders, provided these shares are sold for cash at a price that does not significantly undercut the stock market price of the Company's shares on the disposal date. If shares are to be sold, the total value of disposals must not exceed 10% of the total share capital. This percentage includes new shares issued on the basis of any subsequent authorizations to increase the capital with shareholders' preemptive rights excluded in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act or on the basis of any subsequent resolutions on contingent capital pursuant to Section 221 (4) and Section 186 (3) Sentence 4 of the German Stock Corporation Act.

In addition, the acquired shares may, with the consent of the Supervisory Board, also be sold outside the stock market for non-cash payment without these shares being offered to all shareholders in proportion to their interest in the Company, provided the purpose thereof is to acquire companies, parts of companies, or equity interests in companies.

The resolution adopted by the Annual Shareholders' Meeting on March 15, 2006, making the sale or disposition of 782,300 treasury shares already belonging to the Company dependent on the consent of the Supervisory Board and Annual Shareholders' Meeting, remains unaffected.

Furthermore, the Executive Board – with the consent of the Supervisory Board and without a further resolution being adopted by the Annual Shareholders' Meeting – is empowered to retire the treasury shares acquired on the basis of this authorization.

Disposition may be made of the above authorizations to sell or retire treasury shares in full or in part, once or several times, individually or jointly.

**7. Resolution on the Amendment of the Articles of Association of Wacker Chemie AG to Comply With the Act Implementing the Shareholders' Rights Directive (ARUG)**

The legislation of July 30, 2009 enacting the Act Implementing the Shareholders' Rights Directive has led to a number of changes in the German Stock Corporation Act. The provisions of the Articles of Association shall be amended to account for these changes.

The Executive and Supervisory Boards therefore propose the following resolution:

- (a) Section 13 (2) of the Articles of Association shall be amended and revised, as follows:

“The Annual Shareholders' Meeting shall be called at least 30 days prior to the day on which the Annual Shareholders' Meeting is to be held. Both the day the meeting is called and the day it is actually held are excluded from this period of notice. The deadline for calling shall be extended by the number of days of the registration period, pursuant to Section 14 (1) of the Articles of Association.”

- (b) Section 14 (1) of the Articles of Association shall be amended as follows:

“Only those shareholders whose registration have been received in text form <sup>1</sup> at least six days prior to the Annual Shareholders’ Meeting (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.”

- (c) Section 14 (2) of the Articles of Association shall be amended as follows:

“Shareholders must provide proof in text form in English or German – from the institution managing their investment account – that documents their legitimate entitlement to attend the Annual Shareholders’ Meeting. The written proof must be submitted in compliance with the period stipulated by 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 pursuant to Section 14 (1). The company is authorized to require suitable additional proof of entitlement if there are grounds for doubting the correctness or authenticity of the proof provided. If this additional proof of entitlement is not provided, or is provided in an unacceptable form, the Company can reject the shareholder.”

- (d) Section 14 (3) of the Articles of Association shall be nullified.

- (e) Section 14 (4) of the Articles of Association shall be redefined as Section 14 (3) and its wording changed as follows:

“Shareholders may exercise their voting rights through an authorized representative. If neither a financial institution nor an association or person equivalent to a financial institution pursuant to Section 135 (8) of the German Stock Corporation Act has been authorized to vote, it shall also be possible to grant and revoke authority to vote in text form. The same applies to providing proof of the proxy authorization to the Company. Details regarding the granting and revocation of proxy authorization and the presenting of proof thereof to the Company shall be made public together with the invitation to the Annual Shareholders’ Meeting.”

## **Report by the Executive Board on Agenda Item 6 as per Section 71 (1) No. 8, Sentence 5 of the German Stock Corporation Act in Conjunction with Section 186 (4) Sentence 2 of Said Act**

Pursuant to Agenda Item 6, the following proposal is to be put to the Annual Shareholders’ Meeting: to authorize the Company pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act to acquire treasury shares. This authorization applies for the period until May 20, 2015. It is limited to a total of 10% of the share capital existing at the time the resolution is passed and includes treasury shares already acquired and still held by the Company. According to the proposed resolution, the Company may sell or issue any treasury shares acquired on the basis of said authorization, in some cases under exclusion of shareholder preemptive rights.

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<sup>1</sup> The term “text form“ is defined in Section 126 b German Civil Code and means that the relevant declaration must be made by instrument as defined by law or in another manner suitable to permanently reproduce characters, must name the person making the declaration and must contain a perceptible end of the declaration, for example by reproducing the signature or in a similar matter. The term text form includes, for example, declarations made by email.

This proposed authorization to acquire treasury shares reaffirms the previous authorization granted under Agenda Item 6 at the last regular Annual Shareholders' Meeting of May 8, 2009. This new authorization shall be valid for the maximum period permitted by law of five years. The intention is to give the Company the option of purchasing treasury shares until May 20, 2015. The treasury shares may only be acquired on the stock market or by way of a public offer to all shareholders. This ruling gives all shareholders the same opportunity to sell stock to the Company should the Company decide to act on said authorization to acquire treasury shares.

As stipulated by law, the Company may resell the treasury shares acquired either on 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 Executive Board is also 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 on 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 disposal date. This authorization amounts to an exclusion of shareholders' preemptive rights. It uses the option provided by the German Stock Corporation Act in Section 71 (1) No. 8, to facilitate the exclusion of preemptive rights by accordingly applying Section 186 (3) Sentence 4. 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 membership. As a result, the Company is in a position to react quickly and flexibly to favorable stock market situations. To safeguard shareholders' interests, the shares may only be sold 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% of the share capital. This percentage includes new shares issued on the basis of any subsequent authorizations to increase the capital, with shareholders' preemptive rights being excluded in accordance with Section 186 (3) Sentence 4, of the German Stock Corporation Act or on the basis of any subsequent resolutions on contingent capital pursuant to Section 221 (4) and Section 186 (3) Sentence 4, of the German Stock Corporation Act. This maximum limit ensures that the sale of acquired treasury shares does not lead to the exclusion of preemptive rights as per Section 186 (3) Sentence 4, of the German Stock Corporation Act if this were to exclude shareholders' preemptive rights for more than 10% of the share capital, without any specific material grounds, after having directly or indirectly applied Section 186 (3) Sentence 4, of the German Stock Corporation Act. This broad restriction favors shareholders who want to maintain as much of their proportionate interest as possible.

With the Supervisory Board's consent, the Executive Board shall also be entitled to use treasury shares acquired via the proposed authorization as compensation to the seller when acquiring companies, parts of companies or equity interests in companies. Global competition increasingly demands this type of acquisition financing. The proposed authorization is intended to afford 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 which type of share purchase to exercise in order to finance such transactions.

Proposed as a resolution to be adopted under Agenda Item 6, this authorization to sell Company shares other than via the stock exchange or through an offer to all shareholders shall only apply to shares acquired due to said authorization under Agenda Item 6, which is to be put to the Annual Shareholders' Meeting on May 21, 2010. Said authorization does not, however, apply to shares that are already in the Company's possession. 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 passed 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 sell treasury shares.

## **Publications on WACKER's Website**

This calling of the Annual Shareholders' Meeting, the documents and shareholder motions to be made accessible as required by law, and additional information and detailed explanations on the shareholders' rights pursuant to Section 122 (2), Section 126 (1), Section 127 and Section 131 (1) of the German Stock Corporation Act, as described in the following, will also be available – from the time of calling the Annual Shareholders' Meeting – on WACKER's website at: **[www.wacker.com/hauptversammlung](http://www.wacker.com/hauptversammlung)**.

As a special service, the documents to be made accessible as required by law shall also be sent to shareholders upon request.

The mandatory documents to be made accessible will also be laid out for review at the Annual Shareholders' Meeting.

The voting results will be published on the Company's website after the Annual Shareholders' Meeting.

## **Number of Shares and Voting Rights**

The Company's capital stock is divided into 52,152,600 non-par value shares with an identical number of votes. At the time of calling the present Annual Shareholders' Meeting, the Company held 2,474,617 treasury shares, which entail no voting rights. Thus, the total of shares allowed to participate and vote was 49,677,983 at the time of calling.

## **Prerequisites for Attending the Annual Shareholders' Meeting and Exercising Voting Rights**

Only those shareholders who have registered with the Company in text form before the deadline are permitted to attend the Annual Shareholders' Meeting and to exercise their voting rights. Registration must have been received by the Company at the following address by midnight of May 14, 2010 at the latest:

Wacker Chemie AG  
c/o Deutsche Bank AG  
General Meetings  
P.O. Box 20 01 07  
60605 Frankfurt am Main, Germany  
Email: [wp.hv@xchanging.com](mailto:wp.hv@xchanging.com)  
Fax: +49 69 12012-86045

Shareholders must provide proof in text form in English or German from the institution managing their investment account confirming their shareholding and entitlement to attend WACKER's Annual Shareholders' Meeting. This proof must show that they held their shares at the beginning of the twenty-first day prior to the Annual Shareholders' Meeting (April 30, 2010, 0:00 hours, i.e. the "record date") and must reach the Company at the address above no later than midnight (24:00 hours) on May 14, 2010.

The Company is authorized to require suitable additional proof of entitlement if there are grounds for doubting the correctness or authenticity of the proof provided. If this additional proof of entitlement is not provided or is provided in an unacceptable form, the Company can reject the shareholder.

Shareholders will receive admission tickets to the Annual Shareholders' Meeting from the registration office stated earlier after their registration application and documented proof have been received. To ensure timely receipt of the admission tickets, we ask that shareholders request an admission ticket as early as possible through the institution managing their investment account. Generally, this institution handles the submission of both the registration application and the documented proof of shareholdings. Therefore, shareholders who promptly request an admission ticket to the Annual Shareholders' Meeting from the institution managing their investment account usually do not have to undertake any further action. If this is uncertain, shareholders should enquire with the institution managing their investment account whether it handles the registration and proof of shareholding.

Please appreciate that only up to two admission tickets to the Annual Shareholders' Meeting can be issued for each investment account.

### **Meaning of the Record Date**

The record date is the decisive date for determining whether and to what extent shareholders can attend the Annual Shareholders' Meeting and exercise voting rights there. From the standpoint of the Company, only those shareholders who have provided proof of share ownership by the record date are eligible to attend the Annual Shareholders' Meeting or exercise their voting right. Stock portfolio changes after the record date have no effect upon this eligibility. Persons who do not yet possess shares by the record date and only become a WACKER shareholder afterward are only entitled to attend and vote at the Annual Shareholders' Meeting if registration of the shares they own is made with the Company in the required form and submitted, along with proof of ownership by the previous shareholder, by the stipulated deadline and only if the previous shareholder has assigned proper authorization to the new shareholder or has empowered the latter to exercise voting rights. Shareholders who have properly registered and provided the proof of ownership are still entitled to attend the Annual Shareholders' Meeting and exercise their voting rights if they have sold their shares after the record date. The record date has no effect on the saleability of shares and is irrelevant as a date with respect to any possible dividend entitlement.

## Voting by Proxy and the Voting Procedure for Authorized Parties

Voting rights can also be exercised by an authorized representative, e.g. by a financial institution, shareholder association or by a voting proxy designated by the Company. Timely registration and documented proof of shareholding are also required for an authorized representative.

Pursuant to Section 134 (3) Sentence 3 of the German Stock Corporation Act, the granting and revocation of proxy authorization and proof of the authorization must be submitted to the Company in text form. Granting of proxy authorization can be effected using the proxy form sent to shareholders along with the admission tickets.

Proof of a proxy assignment to an authorized representative can be made to the Company by sending the proxy authorization in text form to the following email address:

**hauptversammlung@wacker.com**

If proxy assignment is made to a financial institution or shareholder association, or to persons of equivalent status, as per Section 135 (8) of the German Stock Corporation Act, then the text form requirement pursuant to Section 134 (3) Sentence 3 of the German Stock Corporation Act does not apply. In such cases, however, compliance with the legal provisions of Section 135 of the German Stock Corporation Act is required as well as possibly other special provisions stipulated by the respective authorized representative (ask the representative in this regard).

The Company has appointed two representatives to exercise voting rights for shareholders in accordance with their instructions. Shareholders who wish to grant the authority to vote to the proxies appointed by the Company require an admission ticket. They should request the ticket as soon as possible from the financial institution at which their investment account is kept. The form for authorizing the proxies designated by the Company is attached to the admission ticket.

If necessary, this form should be detached from the admission ticket and filled out. It should then be scanned and emailed to the email address previously stated in this section or faxed to the following number:

Wacker Chemie AG

c/o Computershare HV-Services AG

Prannerstrasse 8

80333 München, Germany

Fax +49 89 30903-74675

For more information on taking part in the Annual Shareholders' Meeting or on issuing proxy authorizations and voting instructions, please refer to the Company's webpage concerning this at: **[www.wacker.com/hauptversammlung](http://www.wacker.com/hauptversammlung)**. A proxy authorization form is also available there.



## **Supplementary Amendments to the Agenda as Motioned by a Minority, Pursuant to Section 122 (2) of the German Stock Corporation Act**

Shareholders whose total shares attain a value of at least €500,000 of the share capital – corresponds to 100,000 non-par value shares – are entitled to motion that items be added to the agenda and made public. Each new item must be accompanied by a justification or a draft proposal.

Motions for supplementary amendments must be received in writing by the Company no later than midnight of April 20, 2010. Requests for supplementary amendments can be sent to the following address:

Wacker Chemie AG  
Investor Relations  
Hanns-Seidel-Platz 4  
81737 München, Germany  
Fax: +49 89 6279-2910  
Email: [hauptversammlung@wacker.com](mailto:hauptversammlung@wacker.com)

Pursuant to Section 122 (1) Sentence 3 and (2), and Section 142 (2) Sentence 2 of the German Stock Corporation Act, petitioners must prove that they have held their shares for at least three months. With respect to the decisive date for attainment of this minimum shareholding term, the Company shall, in favor of any potential petitioners, refer to the day of the Annual Shareholders' Meeting and regard as sufficient proof of shareholding since February 21, 2010.

Motions for supplementary amendments to the agenda that are to be given public notice – insofar as they have not already been made public at the time of calling the meeting – shall be published immediately after receipt in the *Elektronischer Bundesanzeiger* (Germany's Federal Electronic Gazette) and routed to media channels that are appropriate to disseminating the relevant information throughout the European Union. Furthermore, they will be published and made accessible at the web address [www.wacker.com/hauptversammlung](http://www.wacker.com/hauptversammlung) and notified to the shareholders.

## **Shareholder Motions and Election Proposals Pursuant to Section 126 (1) and Section 127 of the German Stock Corporation Act**

Shareholders can submit to the Company election proposals and also countermotions to a proposal made by the Executive and Supervisory Boards for a certain agenda item.

Shareholder election proposals and countermotions received by the Company at the following address at the latest by midnight May 6, 2010 will be promptly made available in the internet at: [www.wacker.com/hauptversammlung](http://www.wacker.com/hauptversammlung)

Wacker Chemie AG  
Investor Relations  
Hanns-Seidel-Platz 4

81737 München, Germany  
Fax: +49 89 6279-2910  
Email: [hauptversammlung@wacker.com](mailto:hauptversammlung@wacker.com)

Countermotions only need to be made public if they have been justified. Election proposals do not require a justification.

Countermotions and election proposals that have not been sent to the aforementioned Company address or are received after the stated deadline, as well as unsubstantiated countermotions, will not be published in the internet.

The Company can refrain from publishing an election proposal, or a countermotion and its justification if one of the grounds for exclusion pursuant to Section 126 (2) of the German Stock Corporation Act exists. The grounds for exclusion are presented on the Company's webpage: **[www.wacker.com/hauptversammlung](http://www.wacker.com/hauptversammlung)**

Furthermore, election proposals are only published if they have been submitted with the name, occupation and domicile of the proposed person and, with regard to the election of Supervisory Board members, details on memberships in any other legally constituted supervisory boards.

Voting on a countermotion at the Annual Shareholders' Meeting requires that the countermotion first be orally presented. Oral countermotions can be presented at the Annual Shareholders' Meeting without their having been submitted earlier in accordance with the deadline.

## **Shareholders' Right to Information Pursuant to Section 131 (1) of the German Stock Corporation Act**

At the Annual Shareholders' Meeting, each shareholder may request and must receive information from the Executive Board about Company matters, including legal and business relationships to affiliated companies, the position of the Group and entities included in consolidated financial statements, insofar as these are necessary to make an informed assessment of an agenda item. Requests for information must be made orally during the Annual Shareholders' Meeting as part of the question-and-answer session. Pursuant to Section 15 (3) of the Company's Articles of Association, the chairperson of the meeting may reasonably limit the time available to shareholders during the question-and-answer session. In addition, the Executive Board can decline to provide information under certain circumstances covered by Section 131 (3) of the German Stock Corporation Act. These circumstances are presented on the Company's webpage: **[www.wacker.com/hauptversammlung](http://www.wacker.com/hauptversammlung)**.

**Munich, Germany – April 2010**

***Wacker Chemie AG***

**The Executive Board**