Compensation Report —

of Wacker Chemie AG

for 2022

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The Compensation Report provides detailed, personalized information about the compensation granted and owed to active and former members of the Executive Board and the Supervisory Board of Wacker Chemie AG in 2022 and the compensation and benefits promised them for the fiscal year. The Compensation Report follows the recommendations of the German Corporate Governance Code in the amended version that entered into force on April 28, 2022, and complies with the requirements of Section 162 of the German Stock Corporation Act ("AktG"), as amended by the German Act Implementing the EU Shareholder Rights Directive II ("ARUG II") of December 12, 2019. The Compensation Report of Wacker Chemie AG for 2021 was submitted to the Annual Shareholders' Meeting on May 20, 2022, in accordance with Section 162 (1) sentence 2 no. 6 of the German Stock Corporation Act and approved by shareholders with 86.72 percent of the vote. The Compensation Report for 2022 has been formally reviewed by the auditors to determine whether the disclosures required by Section 162 (1) and (2) of the German Stock Corporation Act have been made and will be submitted to the Annual Shareholders' Meeting on May 17, 2023, for approval.

Brief Overview of General Business Development in the 2022 Reporting Year

With €8.21 billion in sales (prior year: €6.21 billion) and EBITDA of €2.08 billion(prior year: €1.54 billion), 2022 was by far the most successful year in WACKER's history, with higher selling prices across all business divisions driving sales growth of 32 percent. Exchange rate effects, in particular the strong US dollar, also had a positive impact. On the other hand, overall volumes were down somewhat versus the previous year, dampening sales. The increase in earnings due to sales growth was slowed by sharp rises in energy, raw-material and logistics costs of around €1.3 billion. Despite higher costs, WACKER achieved EBITDA growth of 35 percent. Group earnings before interest and taxes (EBIT) totaled €1.68 billion in 2022. This corresponds to a margin of 20.4 percent, up 48 percent on the prior-year figure. At 34.7 percent, ROCE was substantially higher than the cost of capital. Depreciation and amortization were on par with the previous year at about €400 million. Net income amounted to €1.28 billion, once again significantly exceeding the high level of the previous year (€828 million). Last year, WACKER invested some €545 million in expanding production capacities in all regions across the globe. The largest share went to the company's chemical divisions, but also to creating additional capacity for the production of mRNA-based vaccines. At around €440 million, the Group's net cash flow was at a high level. Significantly higher capital expenditures and an increase in working capital had a negative impact. Net financial assets amounted to around €410 million as of the reporting date.

Changes in the Composition of the Executive Board and the Supervisory Board in the 2022 Reporting Year

At the Annual Shareholders' Meeting on May 20, 2022, Prof. Anna Weber was elected as a new member of the Supervisory Board to succeed Prof. Ernst-Ludwig Winnacker, who resigned from the Supervisory Board at the end of the 2022 Annual Shareholders' Meeting for reasons of age.

There were no other changes in the composition of the Executive Board or the Supervisory Board in the 2022 reporting year.

A. Executive Board Compensation

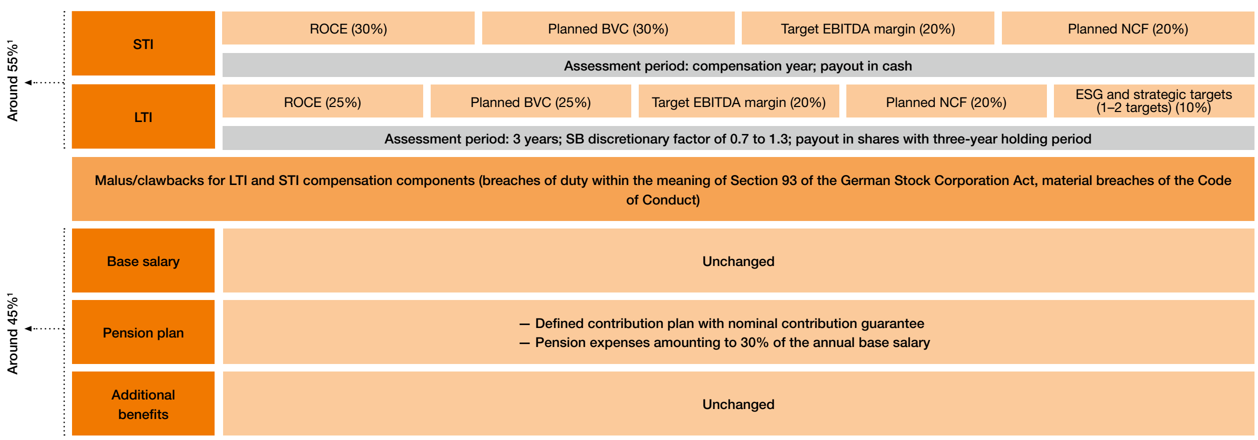
I. Ratification by Shareholders of the New Compensation System

At its meeting on March 4, 2021, the Supervisory Board – following the recommendation of its Executive Committee – approved a revised compensation system for all Executive Board members already in office at the time of the resolution, to apply retroactively as of January 1, 2021. This was done specifically to comply with the new statutory requirements imposed by the German Act Implementing Shareholder Rights Directive II ("ARUG II") and by the revised German Corporate Governance Code.

The revised compensation system was submitted to the Annual Shareholders' Meeting on May 12, 2021, in accordance with Section 120a (1) of the German Stock Corporation Act and approved by shareholders with 96.92 percent of the vote. It was in effect for all active Executive Board members in 2022.

The Executive Board compensation system at a glance:

Compensation System from January 1, 2022



[1] Share of the target total compensation for a compensation year

A complete description of the compensation system for the Executive Board can be found on the company's website at https://www.wacker.com/cms/en-de/about-wacker/investor-relations/corporate-governance/compensation-system-board-of-directors.html.

II. Executive Board Compensation Components in 2022 at a Glance

The compensation of the members of the Executive Board comprises both fixed and variable components. The fixed components include the fixed annual salary, additional benefits and the company pension. Variable compensation is based on transparent, performance-based parameters that reflect the company's business success and sustainability goals. The portion of long-term variable compensation greatly exceeds that of short-term variable compensation, placing the emphasis on the company's long-term performance.

The system of compensation for members of the Executive Board is governed by the company's size, complexity and economic situation, as well as by its future prospects. It is further aligned with the corporate strategy, creating an incentive for successful and sustainable corporate governance. The compensation system helps promote Wacker Chemie AG's business strategy. This strategy focuses on profitable growth and on holding a leading competitive position in most of the business fields where the company is active, while observing the principle of sustainable development.

1. Fixed Compensation Components

1.1 Annual Base Salary

Objective and Relevance to Corporate Strategy

The annual base salary is based on the role and the area of responsibility of the respective Executive Board member and should provide an adequate basic income. It provides the basis and incentive for attracting highly qualified individuals to serve as members of the Executive Board and for retaining them over the long term.

Structure

The annual base salary is a fixed cash payment for the entire year and is remitted to members of the Executive Board as a salary in twelve monthly installments. It is paid pro rata in the case of an appointment beginning or ending during the year.

1.2 Company Pension

Objective and Relevance to Corporate Strategy

A competitive, attractive company pension provides Executive Board members with secure income and benefits after they retire from the company.

Structure

Executive Board members are initially entitled to a basic company pension through the pension fund (Pensionskasse der Wacker Chemie VVaG), which covers income up to the contribution assessment ceiling of the German statutory pension insurance system. For this purpose, the company and the Executive Board make monthly contributions to the pension fund.

The defined contribution plan described below also applies to new appointments of Executive Board members, effective January 1, 2021.

The company provides a pension contribution in the amount of 30 percent of the annual base salary to be credited to a virtual cash account in twelve equal installments. Until April 2022, the cash account earned interest at 2 percent p.a. As of May 2022, the monthly contribution amounts have been paid into a group CTA and invested in the capital market, with no guarantee of surpluses. The pension account balance is the respective balance of the cash account. When it is paid out, the pension account balance will amount to at least the total of the contributions paid in. When a pension event occurs, the pension account balance can be paid out in one lump sum or in ten annual installments. Other pension payments are not offset against the pension. If the pension event occurs prematurely due to the disability or death of an Executive Board member, a minimum coverage amount of 2.5 annual base salaries is granted. Executive Board members are entitled to a retirement pension upon reaching the age of 65.

No change was made to the existing defined benefit pension plan for Mr. Willems. Mr. Willems is entitled to the payment of an annual pension when a pension event occurs, i.e. upon reaching the agreed retirement age or in the event of permanent occupational disability. The amount of the pension is calculated on the basis of the last pensionable fixed annual salary received and the length of Executive Board membership. A percentage of the pensionable annual base salary is defined as a base amount and is adjusted by an annual percentage rate of increase for each year of service.

The defined benefit pension plans described in the foregoing that were previously in effect for Dr. Hartel and Dr. Ohler (past service) were switched to a defined contribution plan (future service) effective January 1, 2021. The annual contribution levels were set taking into account the respective existing entitlements under the previous benefit plan. The contributions amount to 30 percent (Dr. Hartel) and 25 percent (Dr. Ohler) of their respective base salaries (but without the minimum coverage previously described).

1.3 Additional Benefits

Objective and Relevance to Corporate Strategy

Attractive additional benefits are aimed at recruiting and retaining highly qualified members of the Executive Board, as well as creating a motivating work culture.

Structure

One of the additional benefits granted to Executive Board members is a company car for private as well as business use. A driver is available when the car is used for business travel. The company additionally reimburses any taxes on non-cash fringe benefits for private use of a company car and for the commute from home to the workplace, as well as for the service of a driver. In addition, Executive Board members have an accident insurance policy covering accidents that occur both during and outside work hours. Moreover, Executive Board members receive health and long-term care insurance subsidies, as well as reimbursement of costs related to preventive medical checkups.

2. Variable Compensation Components

2.1 Short-Term Incentive (STI)

Objective and Relevance to Corporate Strategy

The STI sets incentives for a sustainable corporate policy, promotes profitable growth and enhances the company's value over the long term, while taking into account the Executive Board's overall responsibility.

In the context of value-based management, which is central company policy, the amount of the STI depends on the achievement of agreed annual WACKER Group earnings targets set by the Supervisory Board for all Executive Board members.

The first of these targets concern two operational performance measures: operating net cash flow (planned NCF) and business value contribution (planned BVC). They are based on the outlook for the compensation year and, among other things, support the corporate goal of increasing cash inflow from operating activities. The aim of BVC at WACKER is to generate a residual profit that exceeds the cost of capital, thereby creating value within the company. Planned NCF is defined as the sum of cash flow from operating activities and long-term investing activities before securities. Planned NCF indicates whether WACKER can finance ongoing operations and necessary investments with its own operating activities. The company's goal is to generate sustained planned NCF.

The other two STI targets concern measures of strategic performance – EBITDA margin and return on capital employed (ROCE) – for which absolute target values are set that are derived from the overriding goal of sustainably and continuously increasing the company's value in the long term. Both are important criteria for achieving the specific strategic goals of growing faster than the chemical-sector average, achieving attractive margins with products, and earning the cost of capital. ROCE is a clear indicator of how profitably the capital required for business operations is being employed. Target ROCE is defined as earnings before interest and taxes divided by capital employed. The target EBITDA margin performance category shows how successful the company is compared with the competition and provides incentives for enhancing that relative performance even further.

Structure

The STI is a performance-related bonus with a one-year assessment period. The assessment period is the compensation year.

The payout under the STI amounts to 80 percent of the average annual base salary in the compensation year for 100 percent target achievement, and it is limited to a maximum of 98 percent of the average annual base salary. For initial appointments, the Supervisory Board may set a lower target amount for 100 percent target achievement. A target amount of 60 percent for 100 percent target achievement was set for Ms. Wörl when she was initially appointed to the Executive Board.

The basis for the STI is the achievement of the financial performance targets (target value, minimum value, maximum value) set by the Supervisory Board for each compensation year. Unless determined otherwise, the financial targets relate to the performance criteria described above: target ROCE (30 percent), planned BVC (30 percent), target EBITDA margin (20 percent) and planned NCF (20 percent). The Supervisory Board is authorized to define different weightings for future assessment periods.

The target value represents 100-percent achievement of each target. Retroactive changes to target values or performance criteria during the compensation year are prohibited.

Target achievement, i.e. the value actually achieved for each performance criterion, is ascertained by the Supervisory Board after the close of the compensation year.

Target achievement is converted into a target achievement factor ("TAF") for each performance criterion, applying the following system.

If target achievement ≤ minimum value:	TAF = 0
If target achievement ≤ target value:	TAF = (target achievement – minimum value)/ (target value – minimum value)
If target achievement > target value:	TAF = 1 + (target achievement – target value)/ (maximum value – target value); but not more than 2

The annual overall target achievement factor corresponds to the sum of the weighted target achievement factors for the individual performance criteria. Next, the overall target achievement factor is converted by means of a formula into a bonus percentage representing the target-achievement success level on a scale from 0 percent to a maximum of 98 percent (or a lower maximum for Executive Board members appointed for the first time). Upon her initial appointment to the Executive Board, a maximum of 77 percent was set for Ms. Wörl.

The gross STI payout amount is calculated by multiplying the bonus percentage by the average annual base salary for the compensation year.

The gross STI payout amount is determined by the Supervisory Board in March of the year that follows the compensation year. The STI is due and payable with the fixed salary for the month that follows the month in which it is determined.

2.2. Long-Term Incentive (LTI)

Objective and Relevance to Corporate Strategy

The LTI sets incentives for a sustainable corporate policy, promotes profitable growth and enhances the company's value over the long term, while taking into account the Executive Board's overall responsibility. Furthermore, this arrangement ensures that members of the Executive Board share in both positive and negative corporate trends over an extended period.

The overall target achievement factor for the LTI is based on financial and non-financial performance targets that are relevant to WACKER's strategy. In terms of the financial performance criteria, i.e. the target ROCE, planned BVC, the target EBITDA margin and planned NCF, the incentives to promote the business strategy described above for the STI also apply here. There is also a focus on non-financial goals: the overall target achievement factor also comprises non-financial strategic and ESG targets. When setting these targets, the Supervisory Board can focus in particular on key strategic topics for the compensation year in the categories of growth, competitive position, innovation, successful project completions or progress in digital transformation.

As one of these five strategic corporate goals, sustainability is a core element of WACKER's business model. When setting its targets, the Supervisory Board may especially take into account the sustainable development goals published in the non-financial report for the WACKER Group. These goals include, for example, reducing specific CO_2 emissions and specific energy consumption, the overall accident rate, increasing the share of sustainable products in the product portfolio and even employee and customer satisfaction.

Structure

The LTI provides for a three-year assessment period and for a subsequent requirement to acquire shares coupled with a three-year holding period. The assessment period comprises the compensation year and the two fiscal years immediately preceding the compensation year. The three-year assessment period is thus forward-looking in relation to the compensation year and backward-looking in relation to the two preceding fiscal years.

The LTI payout amounts to 100 percent of the average annual base salary in the compensation year for 100 percent target achievement, and the calculated bonus is limited to a maximum of 122 percent of the average annual base salary. For initial appointments, the Supervisory Board may set a lower target amount for 100 percent target achievement. A target amount of 80 percent for 100 percent target achievement was set for Ms. Wörl when she was initially appointed to the Executive Board.

The basis for the LTI is the achievement of the performance criteria defined by the Supervisory Board for the compensation year and for the two other fiscal years of the assessment period. The Supervisory Board defines the performance criteria for each compensation year.

Unless determined otherwise, the financial targets relate to the following performance criteria: target ROCE (25 percent), planned BVC (25 percent), target EBITDA margin (20 percent) and planned NCF (20 percent). The non-financial targets (10 percent) comprise strategic targets, as well as environmental, social and corporate-governance (ESG) targets for sustainable business development. The Supervisory Board selects one or two strategic and/or ESG targets, but at least one ESG target, for each year. In the case of several strategic and ESG targets, each strategic and ESG target is given equal weight unless the Supervisory Board decides otherwise for the respective compensation year.

Two ESG targets that are particularly important to the strategy were chosen in the reporting year as part of the non-financial targets. Wacker Chemie AG intends to halve its CO_2 emissions by 2030 using 2020 as the base year. For this reason, it has set out to reduce specific CO_2 emissions. Safety is a top priority for WACKER, which is why it has committed to reducing accident rates as a second binding target.

The Supervisory Board is authorized to change the relative weightings among and between financial and non-financial performance criteria for future assessment periods.

For the compensation year, the Supervisory Board sets a target value, a minimum value and a maximum value for each financial and non-financial performance criterion. The target value represents 100-percent achievement of each target. If the achievement of a non-financial target cannot be determined and measured, the Supervisory Board defines an alternative method for measuring achievement of that non-financial target as regards the compensation year and sets a target value and, where applicable, minimum and maximum values. Target values or performance criteria cannot be changed retroactively during the compensation year.

Target achievement, that is, the value actually achieved for each performance criterion, is determined by the Supervisory Board for each fiscal year of the assessment period after the close of the respective fiscal year.

Target achievement is converted into a target achievement factor ("TAF") for each performance criterion, applying the following system.

If target achievement ≤ minimum value:	TAF = 0
If target achievement ≤ target value:	TAF = (target achievement – minimum value)/ (target value – minimum value)
If target achievement > target value:	TAF = 1 + (target achievement – target value) / (maximum value – target value); but not more than 2

The annual overall target achievement factor corresponds to the sum of the weighted target achievement factors for the individual performance criteria.

Next, the overall target achievement factor (sum of the target achievement factors in the performance criteria) for the compensation year is converted by means of a formula into a bonus percentage representing the target-achievement success level on a scale from 0 percent to a maximum of 122 percent (or a lower maximum for Executive Board members appointed for the first time). Upon her initial appointment to the Executive Board, a maximum of 103 percent was set for Ms. Wörl.

The calculated bonus under the LTI is derived from the bonus percentages for the compensation year and from averages of the bonus percentages for the two years immediately preceding the compensation year.

The year 2021 was the first compensation year in which non-financial performance criteria (ESG and strategic targets) applied. For that reason, these performance criteria were not included when the overall target achievement factors and bonus percentages were calculated for the 2020 compensation year. To depict the three-year assessment period, it was therefore necessary to apply a transitional rule to determine the calculated bonus for the 2022 compensation year (with the 2020–2022 assessment period), described in more detail under A III. 2.2, "LTI Target Achievement and Determination of the Bonus Percentage for 2022" and involving the use of a fixed bonus percentage.

The calculated bonus under the LTI is arrived at by taking the average of the bonus percentages during the assessment period and multiplying it by the average annual base salary for the compensation year.

The Supervisory Board has the option to increase or reduce this calculated bonus by as much as 30 percent at its own discretion, taking into account all circumstances, the Executive Board's performance and the achievement of ESG and strategic targets. The virtual gross payout under the LTI thus obtained is determined by the Supervisory Board in March of the year that follows the compensation year. The amount of the calculated net payout is determined individually for each Executive Board member, depending on that member's personal tax situation, and invested in company stock. Any resulting fractions of shares are paid out in cash. The number of shares is governed by the Xetra closing price of WACKER shares on the first exchange trading day after the date of the Annual Shareholders' Meeting (record date). The company acquires the shares in the name and for the account of the respective Executive Board member. They are held in custody in a restricted securities account in the name of the respective Executive Board member at a bank designated by the company. The shares are subject to a holding period of three years from the record date.

2.3 Joining or Leaving During the Year, Other Exceptional Incidents or Developments

If the Executive Board member has not worked for the company for twelve months in a fiscal year, the gross payout under the STI and the virtual gross payout under the LTI are prorated accordingly. This did not apply to any Executive Board members in 2022.

If the employment relationship is ended through resignation of the Executive Board member or termination by the company, or if the employment contract is not extended, entitlement to the STI and the LTI remains subject to the contract terms governing settlement and payout. In such cases, the vesting periods of two and three years, respectively, under the LTI remain in force until their expiry.

If the employment relationship is ended by death or permanent occupational disability, the prorated virtual gross payout for the LTI is disbursed in cash instead of shares in the month after it would be fixed under the contract. The vesting period for all shares acquired as variable compensation ends prematurely at the close of the calendar month in which the employment relationship ends.

3. Other Benefits

The Supervisory Board is authorized to grant additional benefits to newly appointed Executive Board members. Such benefits can be agreed for a limited time or for the full duration of the employment agreement. The benefits may include reimbursements of forfeited variable compensation at a previous employer or of other financial disadvantages, as well as benefits associated with relocation (e.g. moving expenses, cost of running two households).

These types of benefits are offered to create an incentive for highly qualified individuals to join the Executive Board by compensating them for any financial losses associated with a transfer.

Finally, members of the Executive Board may, in individual cases, be indemnified against legal expenses and attorney's fees (including any taxes imposed on the resulting in-kind benefit), because members of the Executive Board should not have to bear any financial losses arising from decisions they made and other actions they took in the context of due diligence. Such indemnification is subject to the Supervisory Board determining, after an examination of the facts, that there are no indications of a breach of due diligence by the Executive Board member, and to agreement on a clawback clause if it is found that the Executive Board member acted in culpable breach of duty against the company. If the question of whether the Executive Board member applied the diligence of an prudent managing director is in dispute, the burden of proof is on that member (Section 93 (2), sentence 2 of the German Stock Corporation Act).

III. Compensation of Individual Active and Former Executive Board Members in the Reporting Year

1. Compensation "Granted and Owed" Within the Meaning of Section 162 (1) sentence 1 of the German Stock Corporation Act including Presentation of Relative Shares (Section 162 (1) sentence 2 No. 1 of the German Stock Corporation Act)

In accordance with Section 162 (1) sentences 1 and 2 no. 1 of the German Stock Corporation Act, as of reporting year 2021, all fixed and variable compensation components "granted and owed" to each member of the Executive Board must be disclosed in the compensation report. Compensation is classified as "granted and owed" if the activity on which compensation was based was performed in full in 2022, giving rise to a corresponding legal obligation of the company toward the Executive Board member. The amount disclosed also includes those compensation components that were fully earned in the reporting year even if – like the STI and the LTI – they will not be paid out or invested in shares until the year that follows the reporting year.

The following active Executive Board members received compensation in 2022:

- Dr. Christian Hartel, President & CEO
- Dr. Tobias Ohler, member of the Executive Board
- Auguste Willems, member of the Executive Board
- Angela Wörl, member of the Executive Board and personnel director

The individual compensation components are described above under A. II. "Executive Board Compensation Components in 2022 at a Glance".

The compensation components and the relative shares of fixed and variable compensation components relative to total compensation are presented pro rata for the Executive Board activity performed as president and CEO or as an ordinary Executive Board member active in 2022.

Compensation "Granted and Owed" (Section 162 (1) sentence 1 of the German Stock Corporation Act) including presentation of relative shares (Section 162 (1) sentence 2 No. 1 of the German Stock Corporation Act) in 2022

	Fixed compensation			Variable compensation					
€	Fixed compen-sation	Additional benefits	Total	STI	LTI	Total	Total compensation	Share of fixed compen-sation relative to total compen-sation	Share of variable compen-sation relative to total compen-sation
Active Executive Board members									
President & CEO									
Dr. Christian Hartel	750,000	42,259	792,259	712,500	981,000	1,693,500	**2,485,759**	**32%**	**68%**
Members of the Executive Board									
Auguste Willems	610,000	56,312	666,312	579,500	797,880	1,377,380	**2,043,692**	**33%**	**67%**
Dr. Tobias Ohler	610,000	61,376	671,376	579,500	797,880	1,377,380	**2,048,756**	**33%**	**67%**
Angela Wörl	400,000	31,272	431,272	296,000	432,000	728,000	**1,159,272**	**37%**	**63%**

2. Target Achievement and Determination of the Bonus Percentage for 2022

2.1 STI Target Achievement and Determination of the Bonus Percentage for 2022

The following paragraphs describe how the STI performance criteria for 2022 were applied and the agreed targets were achieved.

The Supervisory Board set target corridors for 2022 for each of the relevant performance categories: target ROCE (30 percent), planned BVC (30 percent), target EBITDA margin (20 percent) and planned NCF (20 percent).

In 2022, the target achievement factors were 2.00 for target ROCE, 2.00 for planned BVC, 1.89 for target EBITDA margin and 1.25 for planned NCF. Aggregation of the individual components produced an overall target achievement factor for 2022 of 1.83. The overall target achievement factor corresponds to the sum of the weighted target achievement factors in the four performance categories.

Derived from this overall target achievement factor of 1.83 were regular and initial-appointment bonus percentages of 95 percent and 74 percent, respectively, for 2022.

2.2 LTI Target Achievement and Determination of the Bonus Percentage for 2022

The following paragraphs describe how the LTI performance criteria for 2022 were applied and the agreed targets were achieved.

The Supervisory Board set target corridors for 2022 for each of the relevant performance criteria: target ROCE (25 percent), planned BVC (25 percent), target EBITDA margin (20 percent) and planned NCF (20 percent), as well as for the ESG target (10 percent).

In 2022, the target achievement factors were 2.00 for target ROCE, 2.00 for planned BVC, 1.89 for target EBITDA margin, 1.25 for planned NCF and, in the case of the ESG targets, 1.16 for CO_2 emissions and 0.50 for the safety target. Aggregation of the individual components produced an overall target achievement factor for 2022 of 1.71. The overall target achievement factor corresponds to the sum of the weighted target achievement factors in the five performance categories.

The overall target achievement factor was then converted by means of a formula into regular and initial-appointment bonus percentages of 116 percent and 96 percent, respectively, for 2022.

The calculated bonus under the LTI is arrived at by taking the average of the bonus percentages of the three-year assessment period and multiplying it by the average annual base salary for the compensation year.

The bonus percentage in 2021 was 119 percent and the initial-appointment bonus 100 percent. For the transitional phase in the course of introducing the LTI, bonus percentages of 93 percent (regular) and 74 percent (initial appointment) were contractually stipulated for the 2020 compensation year.

This is equivalent to a three-year average bonus percentage of 109 percent (regular) and 90 percent (initial appointment).

As provided for in the Executive Board compensation system (and described above under A. II. 2.2), the Supervisory Board increased the calculated bonus by a discretionary factor of 1.2 in 2022, taking into account all circumstances, the Executive Board's performance and the achievement of ESG and strategic targets.

3. Compliance with Maximum Compensation Limits (Section 162 (1) sentence 2 no. 7 of the German Stock Corporation Act)

There is a limit ("maximum compensation") for the total compensation to be granted to members of the Executive Board for a specific year (the sum total of all compensation amounts spent for that year, including annual base salary, variable compensation components (STI and LTI), pension expenses (service cost) and all additional benefits of Executive Board members) – irrespective of whether they are paid out in that year or at a later date. The Maximum Compensation for the Chairman of the Executive Board amounts to €3,900,000 gross; for each of the other Executive Board members, it amounts to €2,800,000 gross. Mr. Willems is an exception because of the actuarial measurement of his unchanged defined benefit pension (maximum compensation in the amount of €3,200,000 gross). As the following table shows, the maximum compensation limits were complied with in 2022.

Maximum Compensation Limits

€	Compensation granted and owed	Service cost	Total compensation granted in 2022	Maximum compensation (per year) as set in 2022
Active Executive Board members				
President & CEO				
Dr. Christian Hartel	2,485,759	241,730	**2,727,489**	**3,900,000**
Members of the Executive Board				
Auguste Willems	2,043,692	2,277	**2,045,969**	**3,200,000**
Dr. Tobias Ohler	2,048,756	169,869	**2,218,625**	**2,800,000**
Angela Wörl	1,159,272	126,290	**1,285,562**	**2,800,000**

4. Malus and Clawback Provisions (Section 162 (1) Sentence 2 No. 4 of the German Stock Corporation Act

The Supervisory Board is authorized to reduce (i.e. curtail or cancel entirely) or recover (claw back) all or part of the gross amount paid out under the STI and the virtual gross amount paid out under the LTI by as much as 100 percent in the event of a material breach of duty within the meaning of Section 93 of the German Stock Corporation Act, or a material breach of the company's Code of Conduct by the Executive Board member during the assessment period – i.e. the relevant one-year assessment period in the case of the STI and the relevant three-year assessment period in the case of the LTI. In the event of subsequent discovery of a breach of duty within the meaning of Section 93 of the German Stock Corporation Act, or of a material breach of the company's Code of Conduct, all or part of any gross amounts paid out under the STI and the LTI may be clawed back up to two years after they were paid out. Payouts are reduced or clawed back at the Supervisory Board's discretion. This provision applies to variable compensation earned in or after 2021.

The Supervisory Board did not exercise its option to withhold or recover variable compensation components for 2022.

5. Third-Party Compensation (Section 162 (2) no. 1 of the German Stock Corporation Act)

In 2022, no Executive Board member was promised or granted third-party compensation within the meaning of Section 162 (2), no. 1 of the German Stock Corporation Act.

6. Early Termination Benefits (Section 162 (2) no. 2 of the German Stock Corporation Act)

If a service agreement is terminated early on grounds other than for cause, the amount of any severance payment may not exceed two annual compensation amounts nor the amount of compensation for the remaining term of the service agreement (the severance payment cap). The cap amount is calculated based on the total annual compensation (including additional benefits and the company pension) for the fiscal year preceding the termination and the expected total compensation for the current fiscal year.

In 2022, no Executive Board member was promised or granted early termination benefits within the meaning of Section 162 (2), no. 2 of the German Stock Corporation Act.

7. Regular Termination Benefits (Section 162 (2) no. 3 of the German Stock Corporation Act)

Members of the Executive Board are restricted by post-employment non-compete agreements from engaging in competitive activities for a period of twelve months after termination of the employment relationship. During this period, they are entitled to competitive-restriction compensation amounting to 50 percent of their most recent total annual compensation (fixed annual salary, STI and LTI), calculated based on the average of the last three years. Any benefits paid out under the defined benefit pension plan in place through December 31, 2020, are offset against that compensation. Additionally offset is any income from an activity not subject to the non-compete agreement if, through this additional income, the total annual compensation of the last full year of service as an Executive Board member is exceeded. Any pension received is offset against the competitive-restriction compensation.

Departing members of the Executive Board are additionally entitled to receive a company pension after they leave, for which service cost is incurred annually.

Pension Expenses (Service Cost) for Active Executive Board Members in 2022

€	Service Cost 2022
President & CEO	
Dr. Christian Hartel	243,422
Members of the Executive Board	
Auguste Willems	3,969
Dr. Tobias Ohler	171,561
Angela Wörl	127,982

The service cost includes the company's contributions to the basic pension provided by Pensionskasse der Wacker Chemie VVaG.

Mr. Willems are entitled to a pension that is calculated as a percentage of the pensionable annual base salary and increases for each year of service up to a maximum percentage (60 percent). The pension amount is adjusted in line with the change in the referenced price index. Since 2016, increases in the annual salary of Mr. Willems have taken the form of additional fixed, non-pensionable salary components and thus have no influence on the calculation of his pension.

The annual pension amounts under the old defined benefit plan for Dr. Hartel and Dr. Ohler were fixed at €152,250 gross for Dr. Hartel and at €261,000 gross for Dr. Ohler at the close of 2020, when the switch to a defined contribution plan took place effective from the beginning of 2021. These entitlements are vested. They will not accumulate any further, and they will not be adjusted for price increases before being paid out.

Provisions were recognized for the defined benefit plans for Dr. Hartel and Dr. Ohler in place before the switch effective January 1, 2021, and for the continuing defined benefit pension plan for Mr. Willems. They are listed in the table below.

Pension Provisions for Active Executive Board Members in 2022 (determined in accordance with IFRS rules)

€	2022
Active Executive Board members	
Dr. Christian Hartel	3,115,284
Auguste Willems	7,308,134
Dr. Tobias Ohler	5,523,567
Angela Wörl	785,034

These provisions also cover periods of service at the company prior to appointment to the Executive Board, as well as employee contributions to their company pensions (including deferred compensation through December 31, 2020).

8. Benefits Promised and Granted to Executive Board Members Who Departed in the Reporting Year (Section 162 (2) no. 4 of the German Stock Corporation Act)

No Executive Board member left the Executive Board in reporting year 2022.

9. Compensation of Former Executive Board Members in 2022

Compensation paid to Dr. Staudigl in reporting year 2022:

€	Competitive restriction compensation (until May 12, 2022)	Pension (until May 12, 2022)	Other company pension benefits (from May 13, 2022)	Total compensation	Share of fixed compensation relative to total compensation	Share of variable compensation relative to total compensation
Dr. Rudolf Staudigl	212,744	173,195	621,413	1,007,352	100%	0%

Since his departure from the Executive Board of the company on May 12, 2021, Dr. Staudigl has been entitled to compensation for restriction of competitive activities as described in the 2021 Compensation Report. Competitive restriction compensation is paid in monthly installments and amounted to a total of €1,031,885 gross for 2021 and 2022. Under his is employment agreement, the pension is offset against the competitive-restriction compensation, which is why the competitive-restriction compensation amount reported in the above table is the amount remaining after deduction of the pension. In reporting year 2022, the competitive-restriction compensation paid out to Dr. Staudigl amounted to €212,744 gross. The other company pension benefits reported include a capital payout of deferred compensation.

Dr. Staudigl was entitled to a pension in the amount of €480,000 gross in 2022. Amounts paid out by the German statutory pension insurance system that are based on employer contributions by the company are offset against that pension. In 2022, Dr. Staudigl received a pension of €173,195 until May 12, 2022.

Compensation of Former Executive Board Members in 2022 (€):

€	2022
Former Executive Board members	
Dr. Joachim Rauhut	173,763
Dr. Wilhelm Sittenthaler	376,523
Former Executive Board members and managing directors and their surviving dependents (> 10 years)	
Total	1,174,972

B. Compensation of the Supervisory Board

I. Ratification by Shareholders of the Compensation Provisions and Compensation System for the Supervisory Board

The Annual Shareholders' Meeting determines Supervisory Board compensation, by way of a shareholder resolution or by amending the Articles of Association, on the basis of a proposal by the Executive and Supervisory Boards.

The rules on compensation for members of the Supervisory Board applicable for 2022 were adopted by the 2022 Annual Shareholders' Meeting effective from January 1, 2022, and ratified by a majority of 99.48 percent of the vote and are stipulated in Section 12 of WACKER's Articles of Association.

A complete description of the compensation system for the Supervisory Board can be found on the company's website at https://www.wacker.com/cms/en-de/about-wacker/investor-relations/corporate-governance/compensation-system-supervisory-board.html.

II. Supervisory Board Compensation Components in 2022 at a Glance

Objective and Relevance to Corporate Strategy

Supervisory Board compensation takes into account the responsibilities assumed and the activities performed by the Supervisory Board members. It promotes the business strategy and long-term development of the company in that the nature of compensation is tailored to market needs, thereby making it possible to gain highly qualified individuals as members of the Supervisory Board.

Structure

Compensation for members of the Supervisory Board is set out in Section 12 of the company's Articles of Association. This Section reads as follows:

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 fiscal 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 fiscal 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 their 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/her additional functions shall not be taken into account, i.e. the chairman and his/her 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&Oinsurance for them.

The compensation of the Supervisory Board is entirely fixed in nature: no variable compensation components are provided for. The Articles of Association define fixed annual compensation for Supervisory Board members as €100,000 (plus value-added tax). Owing to the additional time and effort involved in performing certain duties and in view of Recommendation G.17 of the German Corporate Governance Code, compensation for the Supervisory Board Chairman is multiplied by a factor of 3. A factor of 2 is applied to the Chairman's deputy and to committee chairs, while compensation for committee members is multiplied by a factor of 1.5. Where a person serves in more than one function, his/her additional functions shall not be taken into account, which means that the chairman and his/her deputy shall not be entitled to additional factors if they serve on multiple committees. In instances where members of the Supervisory Board serve on multiple committees, their service shall only be taken into account once.

Supervisory Board members who join, or depart from, the Supervisory Board during a particular year receive prorated compensation.

The Company shall reimburse the members of the Supervisory Board for their necessary expenses in the form of a flat fee of €25,000 (any VAT payable being refunded). While expenses are reimbursed in December of the fiscal year in which they were incurred, the fixed annual compensation for that year is paid in January of the subsequent year.

The Company provides the members of the Supervisory Board with appropriate insurance coverage in the form of D&O insurance with no deductible.

The employee representatives are subject to the rules of the German Trade Union Confederation (DGB) and of the Association of Employed Academics and Executives in the Chemical Industry (VAA) concerning the transfer of supervisory board compensation.

III. Compensation of Individual Supervisory Board Members Appointed in the 2022 Reporting Year

In accordance with Section 162 (1) sentence 1 and Section 162 (1) sentence 2 no. 1 of the German Stock Corporation Act, all compensation components "granted and owed" to each member of the Supervisory Board in 2022 must be disclosed in the Compensation Report. Compensation is classified as "granted and owed" if the activity on which compensation was based was performed in full in 2022, giving rise to a corresponding legal obligation of the company toward the Executive Board members. The disclosure also includes those compensation components that were earned in the reporting year but not paid out until the year that follows the reporting year.

Compensation "Granted And Owed" (Section 162 (1) Sentence 1 of the German Stock Corporation Act) to Active Members of the Supervisory Board

€	Fixed compensation	Flat reimbursement amount for expenses	Variable components	Total compensation	Share of fixed compensation relative to total compensation	Share of variable compensation relative to total compensation
Supervisory Board members						
Dr. Peter-Alexander Wacker (Chair of the Supervisory Board)	300,000	25,000	–	**325,000**	100%	0%
Manfred Köppl (Deputy Chair of the Supervisory Board)	200,000	25,000	–	**225,000**	100%	0%
Peter Áldozó	100,000	25,000	–	**125,000**	100%	0%
Prof. Andreas H. Biagosch	100,000	25,000	–	**125,000**	100%	0%
Dr. Gregor Biebl	100,000	25,000	–	**125,000**	100%	0%
Matthias Biebl	100,000	25,000	–	**125,000**	100%	0%
Ingrid Heindl	100,000	25,000	–	**125,000**	100%	0%
Markus Hautmann	100,000	25,000	–	**125,000**	100%	0%
Eduard-Harald Klein (Member of the Mediation Committee)	150,000	25,000	–	**175,000**	100%	0%
Franz-Josef Kortüm (until May 20, 2022, Chair of the Audit Committee)	169,178	25,000	–	**194,178**	100%	0%
Barbara Kraller	100,000	25,000	–	**125,000**	100%	0%
Beate Rohrig	100,000	25,000	–	**125,000**	100%	0%
Dr. Birgit Schwab	100,000	25,000	–	**125,000**	100%	0%
Ann-Sophie Wacker	100,000	25,000	–	**125,000**	100%	0%
Dr. Susanne Weiss	100,000	25,000	–	**125,000**	100%	0%
Prof. Ernst-Ludwig Winnacker (until May 20, 2022)	38,356	9,589	–	**47,945**	100%	0%
Prof. Anna Weber (from May 20, 2022) (Chair of the Audit Committee)	123,836	15,479	–	**139,315**	100%	0%

No compensation was granted or owed within the meaning of Section 162 (1) sentences 1 and 2 no. 1 of the German Stock Corporation Act to any former Supervisory Board member in the 2022 reporting year.

c. Comparative Presentation (Section 162 (1) sentence 2 no. 2 of the German Stock Corporation Act)

The following table shows a comparison of the year-over-year change (from the respective previous year to the following reporting year) in the compensation of the members of the Executive and Supervisory Boards, in the Company's earnings and in the average compensation of employees (expressed as full-time equivalents). Section 26j (2) sentence 2 of the Introductory Act to the German Stock Corporation Act is applied in that the five-year comparison of average full-time-equivalent employee compensation is built up year by year, starting with the change from 2020 to 2021.

Comparative Presentation of Year-Over-Year Change in Compensation of Executive and Supervisory Board Members, Earnings and Average Full-Time-Equivalent Employee Compensation

Note: to provide for better comparability beyond the requirements of Section 162 (1) sentence 2 no. 2 of the German Stock Corporation Act, the percentage change in compensation of all Executive and Supervisory Board members active in 2021 and 2022 (active presidents and CEOs, active Executive Board members, former Executive Board members, active Supervisory Board members) is presented in the table.

Changes in %	From 2020 to 2021	From 2021 to 2022
Compensation of Executive and Supervisory Board members		
Active presidents and CEOs		
Dr. Christian Hartel (from May 13, 2021)	–	77
Dr. Rudolf Staudigl (until May 12, 2021)	−54	–
Total, active presidents and CEOs:	14	5
Active Executive Board members		
Dr. Christian Hartel	−54	–
Auguste Willems	26	12
Dr. Tobias Ohler	32	12
Angela Wörl	–	76
Total for active Executive Board members:	18	6
Former Executive Board members		
Dr. Rudolf Staudigl (from May 13, 2021)	–	61
Dr. Joachim Rauhut	–	8
Dr. Wilhelm Sittenthaler	–	−49
Former Executive Board members and managing directors and their surviving dependents (>10 years)	–	−14
Total for former Executive Board members:	–	−9
Active Supervisory Board members		
Dr. Peter-Alexander Wacker	0	12
Manfred Köppl	0	13
Peter Áldozó	0	14
Prof. Andreas H. Biagosch	0	14
Dr. Gregor Biebl	0	14
Matthias Biebl	0	14
Ingrid Heindl	0	14
Markus Hautmann (from January 1, 2021)	–	14
Eduard-Harald Klein	0	13
Franz-Josef Kortüm	0	−3
Barbara Kraller	0	14
Beate Rohrig	0	14
Dr. Birgit Schwab (from October 1, 2020)	298	14
Ann-Sophie Wacker	0	14
Dr. Susanne Weiss	0	14
Prof. Ernst-Ludwig Winnacker (until May 20, 2022)	0	−56
Prof. Anna Weber (from May 20, 2022)	–	–
Total for active Supervisory Board members:	0	5
Earnings		
Net income of Wacker Chemie AG (HGB)	726	9
EBIT of the WACKER Group (IFRS)	332	48
Average employee compensation	14	7

The disclosures for former Executive Board members include one-time capital payouts of deferred compensation.

The change in earnings presented reflects the change in the net result for the year of Wacker Chemie AG in accordance with Section 275 (2) no. 17 of the German Commercial Code (HGB). Because the compensation of members of the Executive Board depends largely on the development of Group performance indicators, the change in adjusted EBIT reported in the consolidated financial statements of the WACKER Group is also shown.

The change in average employee compensation is determined based on the average compensation of the workforce of Wacker Chemie AG. Because the employee and compensation structures vary across the subsidiaries, only the workforce of Wacker Chemie AG in Germany is considered for comparison here. The comparison includes the compensation of all employees, including those who are management employees ("leitende Angestellte") as defined in Section 5 (3) of the Works Constitution Act (BetrVG) governing industrial relations in Germany. In the case of employees who simultaneously receive compensation as members of the Supervisory Board of Wacker Chemie AG, such compensation is excluded. To ensure comparability, the compensation of part-time workers is converted into full-time equivalents.

Munich, March 2, 2023

The Executive Board
of Wacker Chemie AG

The Supervisory Board
of Wacker Chemie AG

Disclaimer

The Compensation Report was published on March 30, 2023. It is available online in English and German.

» https://www.wacker.com/cms/en-de/about-wacker/investor-relations/corporate-governance/overview.html

Independent Auditor's Report on the Audit of the Compensation Report in accordance with Section 162 (3) of the German Stock Corporation Act

To Wacker Chemie AG, Munich

Audit Opinion
We have formally audited the compensation report of Wacker Chemie AG, Munich, for the fiscal year from January 1, 2022, to December 31, 2022, to ascertain whether the disclosures required under Section 162 (1) and (2) of the German Stock Corporation Act (AktG) were made in the compensation report. In accordance with Section 162 (3) of the German Stock Corporation Act, we have not audited the substance of the compensation report.

In our opinion, the accompanying compensation report makes the disclosures required under Section 162 (1) and (2) of the German Stock Corporation Act in all material respects. Our audit opinion does not cover the substance of the compensation report.

Basis of the Audit Opinion
We conducted our audit of the compensation report in accordance with Section 162 (3) of the German Stock Corporation Act and the IDW Auditing Standard: The Audit of the Compensation Report in Accordance with Section 162 (3) of the German Stock Corporation Act (IDW PS 870 (08.2021)). Our responsibility under this provision and this standard is further described in the section entitled "Auditor's Responsibility" of our report. As an auditing practice, we have applied the requirements of IDW Quality Assurance Standard "Requirements for Quality Management Applicable to German Auditing Practices" (IDW QS 1). We have complied with the professional duties under the German Act on the Code of Professional Practice for German Public Auditors (Wirtschaftsprüferordnung) and the Professional Code of Conduct for Auditors/Certified Accountants, including the requirements for independence.

Responsibility of the Executive Board and Supervisory Board
The Executive Board and Supervisory Board are responsible for preparing the compensation report, including the related disclosures, in compliance with the requirements of Section 162 of the German Stock Corporation Act. In addition, they are responsible for the internal controls that they deem necessary to enable the preparation of a compensation report, including the related disclosures, that is free from material misstatements whether due to fraud (that is, manipulation of accounts and damage to assets) or error.

Auditor's Responsibility
Our aim is to ascertain with reasonable assurance whether the disclosures required in accordance with Section 162 (1) and (2) of the German Stock Corporation Act have been made in all material respects in the compensation report and to issue an audit opinion on this in a report.

We planned and conducted our audit in such a way that, by comparing the disclosures made in the compensation report to the disclosures required under Section 162 (1) and (2) of the German Stock Corporation Act, we can determine whether the compensation report is formally complete. In accordance with Section 162 (3) of the German Stock Corporation Act, we did not audit the completeness of the substance of the individual disclosures or the appropriate presentation of the compensation report.

Munich, March 2, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft

Huber-Straßer	Prof. Grottel
Wirtschaftsprüferin	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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