

# Wacker Chemie AG

## Detailed Explanations of Shareholders' Rights and Agenda Items Not Requiring a Resolution

### DETAILED EXPLANATIONS OF SHAREHOLDERS' RIGHTS

(As per Sections 122 (2), 126 (1), 127 and 131 (1) of the German Stock Corporation Act (AktG))

#### **1. 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 – corresponding to 100,000 non-par value shares – are entitled to make a 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 directed to the Executive Board in writing and be received by the Company no later than midnight (24:00) of April 19, 2016. Motions for supplementary amendments can be sent to the following address:

Wacker Chemie AG.  
Investor Relations  
Hanns-Seidel-Platz 4  
81737 München, Germany

Pursuant to Section 122, Subsections 2 and 1, Sentence 3 (in its version in force until December 30, 2015)<sup>1</sup> and Section 142, Subsection 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, take account of the day of the Annual Shareholders' Meeting and regard proof of shareholding since February 20, 2016 as sufficient.

Motions for supplementary amendments to the agenda that are to be given public notice shall be published immediately after receipt in the *Bundesanzeiger* (Germany's electronic Federal Gazette) and routed to suitable media channels that are expected to disseminate the information throughout the European Union. Furthermore, they will be published and made accessible to shareholders at the web address [www.wacker.com/hauptversammlung](http://www.wacker.com/hauptversammlung), thus notifying shareholders.

The shareholders' rights are derived from the following provisions of the German Stock Corporation Act or the Introductory Act to the Stock Corporation Act (EGAktG):

#### **Section 122 (in its version in force until December 30, 2015) of the German Stock Corporation Act: Convening a Shareholder Meeting as Motioned by a Minority (Excerpt)**

*(1) The shareholders' meeting shall be called if shareholders, whose holding in aggregate equals or exceeds one-twentieth of the share capital, demand such meeting in writing, stating the purpose and the reasons of such meeting; such demand shall be addressed to the management board. The articles may provide that the right to demand a shareholders' meeting shall require another form or the holding of a lower proportion of the share capital. Section 142 (2) Sentence 2 applies accordingly.*

*(2) In the same manner, shareholders whose combined shareholdings account for one twentieth of the share capital or a pro rata value of € 500,000 can submit a motion to have items included in*

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<sup>1</sup> The Law on Amending the German Stock Corporation Act ("2016 Amendment of the Stock Corporation Act") passed by the German Parliament (*Bundestag*) on November 12, 2015, entered into force on December 31, 2015. However, according to the transitional provisions, the amendments to Section 122 of the German Stock Corporation Act (AktG) do not yet apply for the Annual General Meeting of Wacker Chemie AG to be held on May 20, 2016.

the agenda and made public. Each new item must be accompanied by a justification or a draft proposal. The motion pursuant to Sentence 1 must have been received by the Company at least 24 days prior to the Annual Shareholders' Meeting or at least 30 days prior to the Annual Shareholders' Meeting in case of companies listed on stock exchanges; the receiving date must be excluded.

**Section 26 h of the Introductory Act to the Stock Corporation Act (Excerpt)**

(4) Section 122 of the Stock Corporation Act as amended by the Stock Corporation Act Amendment 2016 of December 22, 2015, (Federal Law Gazette, I p. 2565) is to be applied for the first time to re-quests to convene general meetings and supplemental motions, which are received by the Company on June 1, 2016. With supplementary motions that are received by the Company prior to June 1, 2016, Section 122 shall continue to be applied in the version applicable up until December 30, 2015.

(4) Section 122 of the German Stock Corporation Act in its version of the stock corporation law amendment 2016 dated December 22, 2015 (BGBl. I S. 2565) has to be applied for the first time on Motions for Convocation and Supplementary Amendments that are received by the company on June 1, 2016. Section 122 in its version effective until December 30, 2015 still applies to all Motions for Supplementary Amendments received by the company before June 1, 2016.

**Section 142 of the German Stock Corporation Act: Appointment of the Auditors (Excerpt)**

(2) [...] The petitioners must prove that they have held their shares for at least three months prior to the date of the Annual Shareholders' Meeting and shall hold their shares until the motion has been decided on.

**2. Motions and Nominations Pursuant to Sections 126 (1) and 127 of the German Stock Corporation Act**

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

Shareholder nominations and countermotions received by the Company at the following address at the latest by midnight (24:00) May 5, 2016 will be made available promptly on 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. Nominations do not require a justification.

Countermotions and nominations that have not been sent to the aforementioned Company address or are received after the stated deadline, as well as countermotions that have not been justified, will not be published by the Company on the internet.

The Company can refrain from publishing a nomination, 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, as stated below:

1. If the Executive Board were to be subject to prosecution due to publication
2. If the countermotion caused the Annual Shareholders' Meeting to pass a resolution that contravened legislation or the Company's Articles of Association
3. If essential items of the justification are apparently incorrect or contain misleading statements or insults
4. If a shareholder's countermotion has already been made public at an Annual Shareholders' Meeting in terms of a different countermotion concerning the same matter, as per Section 125 of the German Stock Corporation Act

5. If the same countermotion, with essentially the same justification, has already been made public by a shareholder at at least two Annual Shareholders' Meetings in the last five years, as per Section 125 of the German Stock Corporation Act, and received at the Annual Shareholders' Meeting less than one twentieth of the overall votes based on the share capital represented
6. If it is clear that the shareholder will neither be attending the Annual Shareholders' Meeting nor be represented by a proxy
7. If the shareholder failed to propose or failed to have a countermotion proposed which he or she had submitted at two Annual Shareholders' Meetings in the last two years.

A justification need not be made public if it contains a total of more than 5,000 characters.

Furthermore, above and beyond the previously stated grounds for exclusion as per Section 126 (2) of the German Stock Corporation Act, nominations must only be made available if they have been submitted with the name, occupation and domicile of the proposed person and, with regard to the nomination of Supervisory Board members, details on memberships in any other supervisory boards to be legally constituted in terms of Section 125 (1) Sentence 5 of the German Stock Corporation Act. A proposal to nominate Supervisory Board members should, in addition, include details on their memberships in any comparable German or non-German supervisory bodies of commercial enterprises.

Voting on a countermotion or nomination at the Annual Shareholders' Meeting requires that the countermotion or nomination first be presented during the Annual Shareholders' Meeting. Countermotions or nominations relating to agenda items can be presented at the Annual Shareholders' Meeting without their having been submitted earlier in accordance with the deadline.

These shareholders' rights are derived from the following provisions of the German Stock Corporation Act, which also specifies the circumstances under which it is permissible to refrain from making countermotions and nomination proposals available:

#### **Section 126 of the German Stock Corporation Act: Shareholder Motions**

*(1) Shareholder motions, which shall include the name of the shareholder, the justifications and any comments from the administrators, must be made public to the authorized persons as per Section 125 (1) to (3) and in accordance with the requirements stated therein, if the shareholder has submitted a countermotion to a proposal by the Executive and Supervisory Boards regarding a specific agenda item, and sent the countermotion and accompanying justification to the address specified for this purpose in the invitation at least 14 days prior to the Annual Shareholders' Meeting. The receiving date is to be excluded. Companies listed on stock exchanges must make the notice publicly accessible on their website. Section 125 (3) applies accordingly.*

*(2) A countermotion and its justification do not need to be made public under the following circumstances:*

- 1. If the Executive Board were to be subject to prosecution due to publication*
- 2. If the countermotion caused the Annual Shareholders' Meeting to pass a resolution that contravened legislation or the Company's Articles of Association*
- 3. If essential items of the justification contain apparently incorrect or misleading statements or insults*
- 4. If a shareholder's countermotion has already been made public at an Annual Shareholders' Meeting in terms of a different countermotion concerning the same matter, as per Section 125*
- 5. If the same countermotion, with essentially the same justification, has already been made public by a shareholder at at least two Annual Shareholders' Meetings in the last five years, as per Section 125, and received at the Annual Shareholders' Meeting less than one twentieth of the overall votes based on the share capital represented*
- 6. If it is clear that the shareholder will neither be attending the Annual Shareholders' Meeting nor be represented by a proxy*
- 7. If the shareholder failed to propose or failed to have a countermotion proposed which he or she had submitted at two Annual Shareholders' Meetings in the last two years*

*A justification need not be made public if it contains a total of more than 5,000 characters.*

*(3) If several shareholders submit countermotions regarding the same item of the resolution, the Executive Board is empowered to consolidate the countermotions and their justifications.*

### **Section 127 of the German Stock Corporation Act: Shareholder Nominations**

*The terms of Section 126 apply analogously to a shareholder's proposal to nominate Supervisory Board members or auditors. A nomination does not need to be justified. The Executive Board also does not need to make a nomination public if the proposal does not include the details required by Section 124 (3) Sentence 4 and Section 125 (1) Sentence 5. Regarding nominations made by shareholders for the election of Supervisory Board members of listed companies, to which the Co-Determination Act (Mitbestimmungsgesetz), the Coal, Iron and Steel Co-Determination Act (Montan-Mitbestimmungsgesetz) or the Co-Determination Amendment Act (Mitbestimmungsergänzungsgesetz) apply, the Executive Board has to add the following information:*

- 1. reference to the requirements pursuant to Section 96 (2),*
- 2. statement whether there has been an objection to the overall fulfilment pursuant to Section 96, Subsection 2, Sentence 3 and*
- 3. statement how many seats in the Supervisory Board need to be occupied by women and men respectively to comply with the requirements pursuant to Section 96 (2) Sentence 1.*

### **Section 124 of the German Stock Corporation Act: Notification of Motions for Supplementary Amendments; Resolution Proposals (Excerpt)**

*(3) For each agenda item on which the Annual Shareholders' Meeting is to decide in the form of a resolution, the Executive and Supervisory Boards shall make proposals in the notification, whereas with respect to the nomination of Supervisory Board members and auditors only the Supervisory Board shall make proposals. With regard to companies in terms of Section 264d of the German Commercial Code (HGB), a proposal by the Supervisory Board to nominate an auditor must be supported by the audit committee's recommendation. Sentence 1 shall not apply if the Annual Shareholders' Meeting is bound to certain nominations when Supervisory Board members are voted for as per Section 6 of the German Codetermination Act (Montan-Mitbestimmungsgesetz) or if the resolution item has been included in the agenda due to a motion by a minority. Proposals to nominate Supervisory Board members or auditors must state the nominees' names, occupations and domiciles. If the Supervisory Board must also be comprised of members representing the Company's employees, then Supervisory Board resolutions on proposals to nominate Supervisory Board members only require a majority of votes of the Supervisory Board members representing the shareholders; Section 8 of the German Codetermination Act remains unaffected.*

### **Section 125 of the German Stock Corporation Act: Disclosures to Shareholders and Supervisory Board Members (Excerpt)**

*(1) [...] With regard to companies listed on stock exchanges, nominations of Supervisory Board members must include details on their membership in any other supervisory boards to be legally constituted; details on their membership in comparable domestic and foreign supervisory bodies of enterprises should be added.*

## **3. 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 (2) Sentence 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.

Furthermore, the Executive Board can, pursuant to Section 131 (3) of the German Stock Corporation Act, decline to provide information under the following circumstances:

1. If disclosing the information could, according to a commercially reasonable assessment, possibly inflict a not insignificant disadvantage upon the Company or one of its affiliated companies
2. Insofar as it pertains to tax valuations or the amount of specific taxes

3. If providing the information concerns the difference between the value of items specified in the annual statement of financial position and a higher valuation of these items, unless the Annual Shareholders' Meeting confirms the annual financial statements
4. Information regarding the accounting and valuation methods, insofar as the methods specified in the Annex are sufficient to provide a true and fair view of the assets, liabilities, financial position, and profit or loss as per Section 264 (2) of the German Commercial Code (HGB). This does not apply if the Annual Shareholders' Meeting adopts the annual financial statements
5. If the Executive Board was to be subject to prosecution due to disclosing the information
6. To the extent that it is not obligatory to specify details to a bank or financial services institution on the applied accounting and valuation methods and the offsets made in the annual financial statements, management report, consolidated financial statements or group management report
7. Insofar as information has been made continually available on the Company's website at least seven days prior to the start of and during the Annual Shareholders' Meeting

The Executive Board may not refuse to provide information under any other circumstances.

If a shareholder is given information on an occasion other than at the Annual Shareholders' Meeting because of his role as a shareholder, then this information must be provided to every other shareholder upon request during the Annual Shareholders' Meeting, even if it is unnecessary for making an informed assessment of an item on the agenda. The Executive Board may not use the aforementioned items 1-4 as a reason for refusing to provide the information. Both of the previous sentences do not apply if a subsidiary (as per Section 290 (1), (2) of the German Commercial Code), a joint venture (as per Section 310 (1) of the German Commercial Code) or an associated company (as per Section 311 (1) of the German Commercial Code) issues the information to a parent company (as per Section 290 (1), (2) of the German Commercial Code) for purposes of incorporating said company in the parent company's consolidated financial statements and the information was required for this purpose.

If information is denied to a shareholder, then he or she may request that his or her question and the reason for its denial be recorded in the minutes of the meeting.

These shareholders' rights are derived from the following provisions of the German Stock Corporation Act and Wacker Chemie AG's Articles of Association:

**Section 131 of the German Stock Corporation Act: Shareholders' Right to Information**

*(1) During the Annual Shareholders' Meeting, each shareholder may request and must receive information from the Executive Board about Company matters, insofar as these are necessary to make an informed assessment of an agenda item. The duty of disclosure shall additionally extend to the Company's legal and business relationships to affiliated companies. If a company exercises the option of exemptions or relief as per Section 266 (1) Sentence 3 and Sections 276 or 288 of the German Commercial Code, then each shareholder is entitled to require at the Annual Shareholders' Meeting that he or she be provided with the annual financial statements in the form that would have been provided if these simplifications had not been applied. The duty of disclosure by the Executive Board of a parent company (Section 290 (1) and (2) of the German Commercial Code) to present the annual financial statements and management report at the Annual Shareholders' Meeting also extends to the position of the Group and those entities included in consolidated financial statements.*

*(2) The information must comply with the principles of diligent and accurate accountability. The Articles of Association or Articles of Incorporation pursuant to Section 129 can empower the meeting's moderator to reasonably limit the time available to shareholders during the question-and-answer session and specifically decide in this matter.*

*(3) The Executive Board may decline to disclose information under the following circumstances:*

- 1. If disclosing the information could, according to a commercially reasonable assessment, possibly inflict a not insignificant disadvantage upon the Company or one of its affiliated companies;*
- 2. Insofar as it pertains to tax valuations or the amount of specific taxes;*
- 3. If providing the information concerns the difference between the value of items specified in the annual statement of financial position and a higher valuation of these items, unless the Annual Shareholders' Meeting adopts the annual financial statements;*
- 4. Information regarding the accounting and valuation methods, insofar as the methods specified in the Annex are sufficient to provide a true and fair view of the Company's assets, liabilities, financial position, and profit or loss as per Section 264 (2) of the German Commercial Code*

(HGB); this does not apply if the Annual Shareholders' Meeting adopts the annual financial statements;

5. If the Executive Board was to be subject to prosecution due to disclosing the information;

6. To the extent that it is not obligatory to specify details to a bank or financial services institution on the applied accounting and valuation methods and the offsets made in the annual financial statements, management report, consolidated financial statements or group management report;

7. Insofar as information has been made continually available on the Company's website at least seven days prior to the start of and during the Annual Shareholders' Meeting.

The Executive Board may not refuse to provide information under any other circumstances.

(4) If a shareholder is given information on an occasion other than at the Annual Shareholders' Meeting because of his role as a shareholder, then this information must be provided to every other shareholder upon request during the Annual Shareholders' Meeting, even if it is unnecessary for making an informed assessment of an item on the agenda. The Executive Board may not use Section 3, Sentence 1, Numbers 1 to 4 as a reason for refusing to disclose the information. Sentences 1 and 2 do not apply if a subsidiary (as per Section 290 (1)(2) of the German Commercial Code), a joint venture (as per Section 310 (1) of the German Commercial Code) or an associated company (as per Section 311 (1) of the German Commercial Code) issues the information to a parent company (as per Section 290 (1), (2) of the German Commercial Code) for purposes of incorporating said company in the parent company's consolidated financial statements and the information was required for this purpose.

(5) If information is denied to a shareholder, then he or she may request that his or her question and the reason for its denial be recorded in the minutes of the meeting.

#### **Section 15 (2) of the Articles of Association**

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 time limit on the time for shareholders to speak and ask questions.

## **DETAILED EXPLANATIONS OF AGENDA ITEMS NOT REQUIRING A RESOLUTION**

(Section 124a, Sentence 1 No. 2 of the German Stock Corporation Act)

Under Item 1, the agenda includes the following agenda item not requiring a resolution:

„Presentation of the adopted Annual Financial Statements as per December 31, 2015, the approved Consolidated Financial Statements as per December 31, 2015, the combined 2015 Management Report, the 2015 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)“

No resolution on this agenda item is intended, since on March 8, 2016, the Supervisory Board already approved the annual financial statements and consolidated financial statements presented by the Executive Board, thus adopting the annual financial statements.

Pursuant to Section 172 of the German Stock Corporation Act, the annual financial statements are adopted if they have been approved by the Supervisory Board and insofar as the Executive Board and Supervisory Board do not resolve to cede adoption of the annual financial statements to the Annual Shareholders' Meeting. As per Section 173 of the German Stock Corporation Act, the Annual Shareholders' Meeting can only adopt the annual financial statements if the Executive Board and Supervisory Board have resolved to cede adoption of the annual financial statements to the Annual Shareholders' Meeting or if the Supervisory Board has not approved the annual financial statements. This applies analogously if the Supervisory Board of a parent company (Section 290 (1), (2) of the German Commercial Code) has not approved the consolidated financial statements.

Therefore, no resolution by the Annual Shareholders' Meeting shall be passed.