

Governance Update

Celanese is committed to continuous governance improvement for stockholders and to stay current with peers on best practices. To that end, both management and our Board of Directors regularly evaluate matters relating to our corporate governance profile. Following are recent changes of interest to stockholders and other stakeholders.

Adoption of Director Hold Requirements

On July 15, 2019, the Board of Directors of Celanese Corporation (the “Company”) adopted guidelines for its directors intended to cause them to hold shares of the Company’s common stock until they reach the minimum required ownership by requiring that directors sell in any year no more than 50% of the shares received by or granted to the director. The guidelines expand upon the existing share ownership requirements included in the Company’s Corporate Governance Guidelines under which directors are required to hold shares of the Company’s common stock (including certain share equivalents) equal to five times their annual cash compensation. The purpose of the new guideline is to align further the interests of the directors with the long-term interests of stockholders.

Adoption of Anti-Pledging Policy

On July 15, 2019, the Board of Directors approved an amendment to the Company’s existing policy regulating director and executive officer transactions in Company securities to add an express prohibition against pledging their shares to secure indebtedness, including a prohibition against maintaining those shares in a brokerage margin account. The amendment supplements the existing policy that prohibits hedging transactions involving Company securities.

Adoption of Expanded Clawback Policy

On October 16, 2019, the Compensation and Management Development Committee (the “Compensation Committee”) of the Board of Directors adopted an expanded Celanese Corporation Incentive Compensation Recoupment Policy (the “Policy”) under which for executive officers incentive compensation paid in the last three years may be recouped, and existing outstanding equity awards that have not vested may be canceled, for:

- acts or omissions that constitute (i) a violation of the Company’s Code of Business Conduct or any other Company policy or (ii) willful misconduct; in either case, that results in or contributes to material financial harm to the Company;
- conduct related to the covered person’s employment with the Company that could result in the covered person or the Company being held criminally or civilly liable; or
- violation of specified noncompetition, nonsolicitation of employees or confidentiality covenants.

In addition, the Policy permits the recovery of incentive compensation to the extent that there has been a subsequent financial statement restatement and the incentive compensation over the prior three years would have been lower had it been calculated based on the restated results.

The Policy covers both incentive compensation under the Company’s annual incentive compensation (bonus) plan and equity awards made on or after October 16, 2019 that, at the time in question, have previously vested or were awarded during the prior three years. The Compensation Committee is responsible for making all the determinations with respect to the application or operation of the Policy, but may delegate administration with respect to persons who are not executive officers of the Company. The Policy expands upon the existing written clawback agreement obtained by the Company in connection with the grant of equity awards.