

# CELANESE CORP

## **FORM 8-K** (Current report filing)

Filed 08/31/05 for the Period Ending 08/31/05

Address	222 W. LAS COLINAS BLVD., SUITE 900N IRVING, TX, 75039-5421
Telephone	972-443-4000
CIK	0001306830
Symbol	CE
SIC Code	2820 - Plastic Material, Synthetic Resin/Rubber, Cellulos (No Glass)
Industry	Commodity Chemicals
Sector	Basic Materials
Fiscal Year	12/31

# CELANESE CORP

## FORM 8-K (Unscheduled Material Events)

Filed 8/31/2005 For Period Ending 8/31/2005

Address	1601 W. LBJ FREEWAY DALLAS, Texas 75234
Telephone	972-443-4000
CIK	0001306830
Fiscal Year	12/31

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) August 31, 2005

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**Celanese Corporation**

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(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

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(State or Other Jurisdiction of Incorporation)

**001-32410**

(Commission File Number)

**98-0420726**

(IRS Employer Identification No.)

**1601 West LBJ Freeway  
Dallas, Texas**

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(Address of Principal Executive Offices)

**75234-6034**

(Zip Code)

**(972) 901-4500**

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(Registrant's Telephone Number, Including Area Code)

**Not Applicable**

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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ( see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### Item 1.01 Entry into a Material Definitive Agreement

(a) The information set forth in subsection (c) of Item 5.02, “Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers” is incorporated herein by reference.

### Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(a), (b) On August 31, 2005, Celanese Corporation (“Celanese”) issued a press release to announce that Corliss J. Nelson has voluntarily terminated his employment with Celanese, under the titles of Executive Vice President and Chief Financial Officer, effective August 31, 2005. A copy of the above-referenced press release is being filed as Exhibit 99.1 to this Form 8-K.

(c) In the above-referenced press release, Celanese also announced that John J. Gallagher III, age 41, is joining Celanese and is replacing Corliss J. Nelson, as Executive Vice President and Chief Financial Officer effective August 31, 2005. Prior to joining Celanese, Mr. Gallagher was chief executive officer of Great Lakes Chemical Corporation, where he had been employed since May 2001. Prior to joining Great Lakes, Mr. Gallagher was vice president and chief financial officer at UOP LLC, a global joint venture of the Dow Chemical Company and Honeywell International, a position he held since 1999.

Pursuant to the terms of the Employment Agreement, dated August 31, 2005 between Celanese and Mr. Gallagher and the Offer Letter from Celanese, dated August 30, 2005, executed by John J. Gallagher III on August 30, 2005, his employment at Celanese will be at-will. He will receive a base salary of \$675,000 per year. He will be eligible for an annual performance bonus targeted at 80% of his base salary, with the payout of such bonus to range from 0% to 200% of such 80% based upon the achievement of performance targets established by the Celanese board of directors. In addition, upon his employment, Mr. Gallagher will be granted 730,000 non-qualified stock options at the fair market value on the date of grant, which options will be subject to certain vesting periods. He will also receive \$10,725,000 under Celanese’s deferred compensation plan, which generally contains vesting provisions aligned with the stock options. The stock option grant and the deferred compensation grant are subject to certain additional conditions and restrictions.

A copy of the Employment Agreement, dated August 31, 2005 between Celanese and Mr. Gallagher is attached to this report as Exhibit 10.1. A copy of the Offer Letter from Celanese, dated August 30, 2005, executed by Mr. Gallagher on August 30, 2005 is attached to this report as Exhibit 10.2. A copy of the Employment Agreement and the Offer Letter are incorporated herein by reference. The above descriptions of the Employment Agreement and the Offer Letter, as well as the transactions contemplated by those documents, are not complete and are qualified in their entirety by reference to those exhibits.

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### **Item 9.01 Financial Statements and Exhibits**

(c) Exhibits.

- 10.1 Employment Agreement, dated as of August 31, 2005 by and between Celanese Corporation and John J. Gallagher III
- 10.2 Offer Letter from Celanese Corporation dated August 30, 2005, executed by John J. Gallagher III on August 30, 2005
- 99.1(a) Press Release, dated August 31, 2005, issued by Celanese Corporation

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

CELANESE CORPORATION

Date: August 31, 2005

By: /s/ Curtis S. Shaw  
Name: Curtis S. Shaw  
Title: Executive Vice President, General Counsel  
(Americas) and Corporate Secretary

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
10.1	Employment Agreement, dated August 31, 2005 between Celanese Corporation and John J. Gallagher III
10.2	Offer Letter from Celanese Corporation, dated August 30, 2005, executed by John J. Gallagher III on August 30, 2005
99.1	Press Release, dated August 31, 2005, issued by Celanese Corporation

**Exhibit 10.1**

**EMPLOYMENT AGREEMENT**

EMPLOYMENT AGREEMENT (the "Agreement") dated as of August 31, 2005 (the "Date of Hire") by and between Celanese Corporation (the "Company") and John J. Gallagher III (the "Executive").

The Company desires to employ Executive and to enter into an agreement embodying the terms of such employment;

Executive desires to accept such employment and enter into such an agreement;

In consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

1. Term of Employment. Subject to the provisions of Section 7 of this Agreement, Executive shall be employed by the Company for a period commencing as of the Date of Hire and ending on December 31, 2007 (the "Employment Term") on the terms and subject to the conditions set forth in this Agreement. A termination of Executive's employment with the Company as a result of expiration of the Employment Term shall be referred to as a "Non-Renewal" of this Agreement.

2. Position.

a. During the Employment Term, Executive shall serve as the Company's Executive Vice President, Chief Financial Officer. In such position, Executive shall have such duties and authority as shall be determined from time to time by the Board of Directors of the Company (the "Board") and the Chief Executive Officer of the Company.

b. During the Employment Term, Executive will devote Executive's full business time and best efforts to the performance of Executive's duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the rendition of such services either directly or indirectly, without the prior written consent of the Board; provided that nothing herein shall preclude Executive, (i) subject to the prior approval of the Board, from accepting appointment to or continue to serve on any board of directors or trustees of any business corporation or any charitable organization or (ii) from participating in charitable activities or managing personal investments; provided in each case, and in the aggregate, that such activities do not conflict or interfere with the performance of Executive's duties hereunder or conflict with Section 8.

3. Base Salary. During the Employment Term, the Company shall pay Executive a base salary at the annual rate of \$675,000, payable in regular installments in accordance with the Company's usual payment practices. Executive shall be entitled to such increases (but no decreases) in Executive's base salary, if any, as may be determined from time to time in the sole discretion of the Board. Executive's annual base salary, as in effect from time to time, is hereinafter referred to as the "Base Salary".

4. Annual Bonus. With respect to each full calendar year during the Employment Term, Executive shall be eligible to earn an annual bonus award (an "Annual Bonus") targeted at eighty percent (80%) of Executive's Base Salary (the "Target"), payout to range from 0-200% of Target, based upon the achievement of performance targets established by the Board, Executive's 2005 Bonus payable in 2006 will be guaranteed at Target and will be prorated based upon the Executive's Date of Hire.

5. Employee Benefits. During the Employment Term, Executive shall be entitled to participate in the Company's compensation and employee benefit plans (other than annual bonus and severance plans) as in effect from time to time (collectively "Employee Benefits"), on the same basis as those benefits are generally made available to other senior executives of the Company.

6. Business Expenses. During the Employment Term, reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder shall be reimbursed by the Company in accordance with Company policies.

7. Termination. The Employment Term and Executive's employment hereunder may be terminated by either party at any time for any reason; provided that Executive will be required to give the Company at least 30 days advance written notice of any resignation of Executive's employment. Notwithstanding any other provision of this Agreement, the provisions of this Section 7 shall exclusively govern Executive's rights upon termination of employment with the Company and its affiliates; provided, however, that the terms and conditions of the other written agreements between the Company and Executive shall be followed insofar as they provide supplemental rights or privileges with respect to equity or deferred compensation.

a. By the Company For Cause or By Executive Resignation Without Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company for Cause (as defined below) and shall terminate automatically upon Executive's resignation without Good Reason (as defined in Section 7(c)).

(ii) For purposes of this Agreement, "Cause" shall mean (A) Executive's willful failure to perform Executive's duties hereunder (other than as a result of total or partial incapacity due to physical or mental illness) for a period of 30 days following written notice by the Company to Executive of such failure, (B) conviction of, or a plea of nolo contendere to, (x) a felony (other than traffic-related) under the laws of the United States or any state thereof or any similar criminal act in a jurisdiction outside the United States or (y) a crime involving moral turpitude, (C) Executive's willful malfeasance or willful misconduct which is demonstrably injurious to the Company, (D) any act of fraud by Executive or (E) Executive's breach of the provisions of Sections 8 or 9 of this Agreement.

(iii) If Executive's employment is terminated by the Company for Cause, or if Executive resigns without Good Reason, Executive shall be entitled to receive:

(A) the Base Salary through the date of termination;

(B) any Annual Bonus earned but unpaid as of the date of termination for any previously completed fiscal year;

(C) reimbursement for any unreimbursed business expenses properly incurred by Executive in accordance with Company policy prior to the date of Executive's termination; and

(D) such Employee Benefits, if any, as to which Executive may be entitled under the employee benefit plans of the Company or its affiliates (the amounts described in clauses (A) through (D) hereof being referred to as the "Accrued Rights").

Following such termination of Executive's employment by the Company for Cause or resignation by Executive without Good Reason, except as set forth in this Section 7(a)(iii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

b. Disability or Death.

(i) The Employment Term and Executive's employment hereunder shall terminate upon Executive's death and may be terminated by the Company if Executive becomes physically or mentally incapacitated and is therefore unable for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period to perform Executive's duties (such incapacity is hereinafter referred to as "Disability").

(ii) Upon termination of Executive's employment hereunder for either Disability or death, Executive or Executive's estate (as the case may be) shall be entitled to receive the Accrued Rights.

Following Executive's termination of employment due to death or Disability, except as set forth in this Section 7(b)(ii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

c. By the Company Without Cause or Resignation by Executive for Good Reason.

(i) The Employment Term and Executive's employment hereunder may be terminated by the Company without Cause or by Executive's resignation for Good Reason; provided, however, that Non-Renewal of this Agreement shall be treated as a termination of employment during the Employment Term without Cause except in the event of (a) Cause; or (b) Executive's rejection of the offer of continued employment on terms and conditions not materially less advantageous to Executive as those in effect immediately prior to the Non-Renewal of this Agreement (a "Non-Renewal without Cause"). In addition, a Non-Renewal without Cause shall be treated as a Good Termination for purposes of the Company's Deferred

Compensation Plan, 2004 Stock Incentive Plan or any other plans or programs of the Company that employs a Good Termination definition or employs any comparable concept.

(ii) For purposes of this Agreement, "Good Reason" shall mean (A) any reduction in Executive's Base Salary or Annual Bonus opportunity or (B) any substantial diminution in Executive's position or duties, adverse change in reporting lines or assignment of duties materially inconsistent with Executive's position (other than in connection with an increase in responsibility or a promotion); or (C) a change in the location of the principal offices of the Company after which the Company requires your relocation out of the Dallas-Fort Worth metropolitan area; provided that the events described in clauses (A), (B), or (C) of this Section 7(c)(ii) shall constitute Good Reason only if the Company fails to cure such event within 30 days after receipt from Executive of written notice of the event which constitutes Good Reason.

(iii) If Executive's employment is terminated by the Company without Cause (other than by reason of death or Disability) or if Executive resigns for Good Reason, Executive shall be entitled to receive:

(A) the Accrued Rights;

(B) a pro rata portion of any Annual Bonus, if any, that Executive would have been entitled to receive pursuant to Section 4 hereof in such year based upon the percentage of the fiscal year that shall have elapsed through the date of Executive's termination of employment, payable when such Annual Bonus would have otherwise been payable had Executive's employment not terminated, and

(C) subject to Executive's continued compliance with the provisions of Sections 8 and 9, (x) continued payment of the Base Salary until twelve months after the date of such termination and (y) payment of Executive's Target Annual Bonus for the year of termination, payable over the twelve month period after the date of such termination, in accordance with the Company's usual payroll practice; provided that the aggregate amount described in this clause

(C) shall be reduced by the present value of any other cash severance or termination benefits payable to Executive under any other plans, programs or arrangements of the Company or its affiliates.

Following Executive's termination of employment by the Company without Cause (other than by reason of Executive's death or Disability) or by Executive's resignation for Good Reason, except as set forth in this Section 7(c)(iii), Executive shall have no further rights to any compensation or any other benefits under this Agreement.

d. Continued Employment Beyond the Expiration of the Employment Term. Unless the parties otherwise agree in writing, continuation of Executive's employment with the Company beyond the expiration of the Employment Term shall be deemed an employment at-will and shall not be deemed to extend any of the provisions of this Agreement and Executive's employment may thereafter be terminated at will by either Executive or the Company; provided that the provisions of Sections 8, 9 and 10 of this Agreement shall survive any termination of this Agreement or Executive's termination of employment hereunder.

e. Notice of Termination. Any purported termination of employment by the Company or by Executive (other than due to Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11(g) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated.

f. Board/Committee Resignation. Upon termination of Executive's employment for any reason, Executive agrees to resign, as of the date of such termination and to the extent applicable, from the Board (and any committees thereof) and the Board of Directors (and any committees thereof) of any of the Company's affiliates.

#### 8. Non-Competition.

a. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its affiliates and accordingly agrees as follows:

(1) During the Employment Term and, for a period of one year following the date Executive ceases to be employed by the Company (the "Restricted Period"), Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise whatsoever ("Person"), directly or indirectly solicit or assist in soliciting in competition with the Company, the business of any client or prospective client:

(i) with whom Executive had personal contact or dealings on behalf of the Company during the one year period preceding Executive's termination of employment;

(ii) with whom employees reporting to Executive have had personal contact or dealings on behalf of the Company during the one-year immediately preceding the Executive's termination of employment; or

(iii) for whom Executive had direct or indirect responsibility during the one-year period immediately preceding Executive's termination of employment.

(2) During the Restricted Period, Executive will not directly or indirectly:

(i) engage in any business that competes with the business of the Company or its affiliates (including, without limitation, businesses which the Company or its affiliates have specific plans to conduct in the future and as to which Executive is aware of such planning) (a "Competitive Business");

(ii) enter the employ of, or render any services to, any Person (or any division or controlled or controlling affiliate of any Person) who or which engages in a Competitive Business;

(iii) acquire a financial interest in, or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant; or

(iv) interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of this Agreement) between the Company or its affiliates and customers, clients, supplier's partners, members or investors of the Company or its affiliates.

(3) Notwithstanding anything to the contrary in this Agreement, Executive may directly or indirectly own, solely as an investment, securities of any Person engaged in the business of the Company or its affiliates which are publicly traded on a national or regional stock exchange or on the over-the-counter market if Executive (i) is not a controlling person of, or a member of a group which controls, such person and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(4) During the Restricted Period, Executive will not, whether on Executive's own behalf or on behalf of or in conjunction with any Person, directly or indirectly:

(i) solicit or encourage any employee of the Company or its affiliates to leave the employment of the Company or its affiliates (other than as a result of a general advertisement of employment made by Executive's subsequent employer or business, not directed at any such employee); or

(ii) hire any such employee who was employed by the Company or its affiliates as of the date of Executive's termination of employment with the Company or who left the employment of the Company or its affiliates coincident with, or within one year prior to or after, the termination of Executive's employment with the Company.

(5) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage to cease to work with the Company or its affiliates any consultant then under contract with the Company or its affiliates.

b. It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 8 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed

amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

## 9. Confidentiality: Intellectual Property.

### a. Confidentiality.

(i) Executive will not at any time (whether during or after Executive's employment with the Company) (x) retain or use for the benefit, purposes or account of Executive or any other Person; or (y) disclose, divulge, reveal, communicate, share, transfer or provide access to any Person outside the Company (other than its professional advisers who are bound by confidentiality obligations), any non-public, proprietary or confidential information -- including without limitation trade secrets, know-how, research and development, software, databases, inventions, processes, formulae, technology, designs and other intellectual property, information concerning finances, investments, profits, pricing, costs, products, services, vendors, customers, clients, partners, investors, personnel, compensation, recruiting, training, advertising, sales, marketing, promotions, government and regulatory activities and approvals -- concerning the past, current or future business, activities and operations of the Company, its subsidiaries or affiliates and/or any third party that has disclosed or provided any of same to the Company on a confidential basis ("Confidential Information") without the prior written authorization of the Board.

(ii) "Confidential Information" shall not include any information that is (a) generally known to the industry or the public other than as a result of Executive's breach of this covenant; (b) made legitimately available to Executive by a third party without breach of any confidentiality obligation; or

(c) required by law to be disclosed; provide that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so required, and cooperate with any attempts by the Company to obtain a protective order or similar treatment.

(iii) Upon termination of Executive's employment with the Company for any reason, Executive shall (x) cease and not thereafter commence use of any Confidential Information or intellectual property (including without limitation, any patent, invention, copyright, trade secret, trademark, trade name, logo, domain name or other source indicator) owned or used by the Company, its subsidiaries or affiliates; (y) immediately destroy, delete, or return to the Company, at the Company's option, all originals and copies in any form or medium (including memoranda, books, papers, plans, computer files, letters and other data) in Executive's possession or control (including any of the foregoing stored or located in Executive's office, home, laptop or other computer, whether or not Company property) that contain Confidential Information or otherwise relate to the business of the Company, its affiliates and subsidiaries, except that Executive may retain only those portions of any personal notes, notebooks and diaries that do not contain any Confidential Information; and (z) notify and fully

cooperate with the Company regarding the delivery or destruction of any other Confidential Information of which Executive is or becomes aware.

b. Intellectual Property.

(i) If Executive has created, invented, designed, developed, contributed to or improved any works of authorship, inventions, intellectual property, materials, documents or other work product (including without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content, or audiovisual materials) ("Works"), either alone or with third parties, prior to Executive's employment by the Company, that are relevant to or implicated by such employment ("Prior Works"), Executive hereby grants the Company a perpetual, non-exclusive, royalty-free, worldwide, assignable, sublicensable license under all rights and intellectual property rights (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) therein for all purposes in connection with the Company's current and future business. A list of all such Works as of the date hereof is attached hereto as Exhibit A.

(ii) If Executive creates, invents, designs, develops, contributes to or improves any Works, either alone or with third parties, at any time during Executive's employment by the Company and within the scope of such employment and/or with the use of any the Company resources ("Company Works"), Executive shall promptly and fully disclose same to the Company and hereby irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company.

(iii) Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings, and any other form or media requested by the Company) of all Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

(iv) Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Prior Works and Company Works. If the Company is unable for any other reason to secure Executive's signature on any document for this purpose, then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney in fact, to act for and in Executive's behalf and stead to execute any documents and to do all other lawfully permitted acts in connection with the foregoing.

(v) Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company any confidential, proprietary or non-public information or intellectual property



relating to a former employer or other third party without the prior written permission of such third party. Executive hereby indemnifies, holds harmless and agrees to defend the Company and its officers, directors, partners, employees, agents and representatives from any breach of the foregoing covenant. Executive shall comply with all relevant policies and guidelines of the Company, including regarding the protection of confidential information and intellectual property and potential conflicts of interest. Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that Executive remains at all times bound by their most current version.

(vi) The provisions of Section 9 shall survive the termination of Executive's employment for any reason.

10. Specific Performance. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 8 or Section 9 would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to cease making any payments or providing any benefit otherwise required by this Agreement and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

#### 11. Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of laws principles thereof.

b. Entire Agreement/Amendments. This Agreement contains the entire understanding of the parties with respect to the employment of Executive by the Company. Other than as specifically set forth in other written agreements, between the parties, there are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

c. No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

d. Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

e. Assignment. This Agreement, and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void ab initio and of no force and effect. This Agreement may be assigned by the Company to a person or entity which is an affiliate or successor in interest to substantially all of the business operations of the Company. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such affiliate or successor person or entity.

f. Successor; Binding Agreement. This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

g. Notice. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

**If to the Company:**

1601 West LBJ Freeway  
Dallas, TX 75234-6034

Attention: General Counsel

**If to Executive:**

To the most recent address of Executive set forth in the personnel records of the Company.

h. Prior Agreements. This Agreement supersedes all prior agreements and understandings (including verbal agreements) between Executive and the Company and/or its affiliates regarding the terms and conditions of Executive's employment with the Company and/or its affiliates, including, without limitation, the offer letter between Executive and the Company (or its predecessor) dated as of the Date of Hire.

i. Cooperation. Executive shall provide Executive's reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during the Executive's employment hereunder. This provision shall survive any termination of this Agreement.

j. Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

k. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

*CELANESE CORPORATION*

*John J. Gallagher III*

*/s/ David A. Loeser*

*/s/ John J. Gallagher III*

-----  
By: *David A. Loeser*  
Title: *Sr. Vice-President Human Resources  
and Communications*

-----  
*8/30/05*

## Exhibit 10.2

(CELANESE LOGO)

1601 West LBJ Freeway  
Dallas, TX 75234-6034

August 30, 2005

Mr. John J. Gallagher III  
10380 Windemere  
Carmel, Indiana 46032

Dear Mr. Gallagher:

I am pleased to confirm our offer for the position of Executive Vice President and Chief Financial Officer for Celanese Corporation ("the Company"), effective August 31, 2005. Your position will be based at our Dallas, Texas headquarters and you will report to Dave Weidman, President and Chief Executive Officer of Celanese.

### **Base Salary**

Your base salary will be \$675,000 per year, or \$25,961.54 on a bi-weekly basis, payable in accordance with the Company's normal payroll practice.

### **Annual Bonus**

Your annual bonus opportunity at target will be 80% of your annual salary (the "Target"), with a payout range of 0% to 200% of Target. Our annual bonus plan comprises a number of financial and non-financial measures that, combined with your personal performance, determine your actual payment as determined annually by the Company. Your 2005 Bonus payable in 2006 will be guaranteed at Target and will be prorated based upon your date of employment.

### **Equity Participation**

In this key leadership role, you will be granted equity-based compensation in the Company and you will be expected to purchase and hold shares of Celanese stock for a period of time.

Upon your employment you will be granted 730,000 non-qualified stock options at the fair market value on date of grant. Forty percent of these options are subject to time-based vesting over a four and one-half year period, and 60% are subject to accelerated vesting over a four-year period based on attainment of certain Company financial measures.

Also upon your employment, you will receive a grant of \$10,725,000 under the Company's Deferred Compensation Plan which, generally, contains vesting provisions aligned with the stock options and is paid out in cash subject to Blackstone's exit of a minimum 90% of their equity stake in the Company. As an inducement to accept our offer of employment, \$725,000 of this Deferred Compensation grant would be paid to you upon your employment to assist in your purchase of Celanese shares as outlined below. This payment is considered compensation and is subject to statutory withholding.

The stock option grant and deferred compensation grant are contingent upon your purchase of Celanese shares valued at \$600,000. These shares would be subject to trading restrictions for a period of approximately 2.5 years.

### Employee Benefits

During your employment, you will be entitled to participate in the Company's employee benefit plans as in effect from time to time, on the same basis as those benefits are generally made available to other senior executives of the Company. We offer medical and dental coverage, group life insurance (1 times annual base pay), a cash balance pension plan and a 401k plan that matches 100% of the first 5% of employee contributions.

### Vacation

You will be entitled to four weeks annual vacation.

### Relocation

The Company is prepared to assist in your relocation to the Dallas area under the provisions of our policy for newly hired homeowners. Generally, this policy provides for shipment of household goods, home sale and purchase assistance and a lump-sum payment to assist with various miscellaneous expenses associated with your relocation. Details concerning provisions of this policy will be discussed with you at your convenience.

### Duration of Employment

Your employment with the Company is at-will, meaning that you or the Company may terminate your employment at any time for any reason with or without cause; provided, that you shall be required to give the Company at least thirty (30) days advanced written notice of any resignation by you. In the event that the Company terminates your employment without Cause (other than due to your death or disability) or, following a Change in Control you resign for Good Reason, subject to your continued compliance with the Confidentiality, Non-compete and Non-solicitation Agreements, you shall be entitled to receive continued payment of your base salary plus target bonus and welfare benefits for a period of one year following such termination of employment. These separation payments are in lieu of any cash severance or termination benefits that may otherwise be payable to you under any other plans, programs or arrangements of the Company.

"Cause" shall mean (a) your willful failure to perform your duties with the Company (other than any such failure resulting from your incapacity due to physical or mental illness) for a period of 30 days following written notice by the Company to you of such failure, (b) your willful engaging in conduct which is demonstrably and materially injurious to the Company or its subsidiaries, monetarily or otherwise, (c) your conviction of, or plea of nolo contendere to a crime constituting a felony under the laws of the United States or any statute thereof or (d) your breach of the Employment, and Confidentiality, Noncompetition and Nonsolicitation Agreements.

A "Change in Control" shall mean (a) the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company to any "person" or "group" (as such terms are defined in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934) other than Blackstone or its affiliates or (b) any person or group, other than Blackstone or its affiliates, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934), directly or indirectly, of more than 51% of the total voting power

of the voting stock of the Company, including by way of merger, consolidation or otherwise.

"Good Reason" shall mean (a) any reduction in your base salary or annual bonus opportunity, (b) a substantial diminution in your position or duties, adverse change in reporting lines or assignment of duties materially inconsistent with your position (other than in connection with an increase in responsibility or a promotion) or (c) a change in the location of the principle offices of the Company after which the Company requires your relocation out of the Dallas-Forth Worth metropolitan area; provided that the events described herein shall constitute Good Reason only if the Company fails to cure such event within 30 days after receipt from Executive of written notice of the event which constitutes Good Reason.

**Confidentiality, Non-compete and Non-solicitation**

As a condition of your employment, you will be required to execute agreements (the "Confidentiality, Noncompetition and Nonsolicitation Agreements") with the Company regarding protection and non-disclosure of confidential information and non-competition and non-solicitation. Copies of these agreements will be provided to you under separate cover.

This offer letter constitutes the full terms and conditions of your employment with the Company. It supersedes any other oral or written promises that may have been made to you.

This offer or employment is contingent upon the completion of a pre-employment drug screen, which can be arranged at your earliest convenience.

John, we are most enthusiastic about your joining the team. If these provisions are agreeable to you, please sign the enclosed copy of this letter and return it to me by fax 972-443-4439 at your earliest convenience.

Sincerely,

*/s/ David A. Loeser*  
*David A. Loeser*  
*Sr. Vice President Human Resources & Communications*

Cc: Dave Weidman

**Agreed to this 30th day of August, 2005**

*/s/ John J. Gallagher*  
-----  
*John J. Gallagher*



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## Press Release

### **Celanese Corporation Names John J. Gallagher III Chief Financial Officer**

(DALLAS) August 31, 2005 — Celanese Corporation (NYSE: CE) today announced that it has named John J. Gallagher III, 41, executive vice president and chief financial officer effective immediately. He replaces Corliss (Corky) Nelson, who has left the company to pursue other interests.

Gallagher brings nearly 20 years of experience as a veteran of the chemicals industry having most recently served as chief executive officer, and previously, senior vice president and chief financial officer, of Great Lakes Chemical Corporation. “We’re excited about John’s proven track record and financial acumen in the chemicals industry. I’m confident John will help lead Celanese successfully into the future,” said David Weidman, president and chief executive officer.

Prior to joining Great Lakes Chemical, Gallagher served as the chief financial officer of UOP LLC and chief financial officer of the Bendix division of AlliedSignal, Inc. A graduate of the University of Delaware, Gallagher also spent the early part of his career in public accounting at Price Waterhouse LLP.

Thanking Nelson for his service, Weidman said: “We are grateful to Corky and appreciate his commitment to leading Celanese through its IPO and positioning the finance department well through our restructuring. We wish him well in future endeavors.”

### **About Celanese**

*Celanese Corporation (NYSE:CE) is an integrated global producer of value-added industrial chemicals based in Dallas, Texas. The Company has four major businesses: Chemicals Products, Technical Polymers Ticona, Acetate Products and Performance Products. Celanese has production plants in 13 countries in North America, Europe and Asia. In 2004, Celanese Corporation and its predecessor had combined net sales of \$5.1 billion. The presentation of combined net sales of Celanese Corporation with its predecessor is not in accordance with U.S. GAAP. For more information on Celanese Corporation including a reconciliation of the combined net sales, please visit the company’s web site at [www.celanese.com](http://www.celanese.com).*

***Forward-looking statements** (statements which are not historical facts) in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including those risks and uncertainties detailed in the Company’s filings with the Securities and Exchange Commission, copies of which are available from the Company.*

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**End of Filing**

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