

CELANESE CORP

FORM 8-K (Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): **November 4, 2011**

CELANESE CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation)

001-32410

(Commission File Number)

98-0420726

(IRS Employer Identification No.)

1601 West LBJ Freeway, Dallas, Texas 75234-6034

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(972) 443-4000**

Not Applicable

(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))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 7, 2011, Celanese Corporation (the “Company”) announced the future retirement of its Chairman and Chief Executive Officer, David N. Weidman, who will remain with the Company through April 2, 2012. The Company’s Board of Directors (the “Board”) has appointed Mark C. Rohr, 59, to succeed Mr. Weidman as Chief Executive Officer and will appoint Mr. Rohr as Chairman of the Board, both to be effective as of April 2, at which point Mr. Weidman will also retire from the Board. Mr. Rohr has served as a member of the Company’s Board since April 2007, and will not receive any compensation for his continued Board service after April 2, 2012, when he becomes an employee director. In connection with his appointment, Mr. Rohr has resigned from the Board’s Nominating and Corporate Governance Committee.

Mr. Rohr served as the Chief Executive Officer of Albemarle Corporation, a global developer, manufacturer and marketer of highly-engineered specialty chemicals (“Albemarle”), from 2002 until September 2011 and as its Chairman since 2008, most recently serving as its Executive Chairman, a position he will continue to hold until February 1, 2012. Mr. Rohr also serves as a member of the Board of Directors of Ashland Inc.

Mr. Rohr and the Company have not entered into an employment agreement, and there are no arrangements or understandings between Mr. Rohr and any other person pursuant to which he was appointed as an executive officer of the Company. Additionally, there are no family relationships between Mr. Rohr and any director or executive officer of the Company.

Mr. Rohr and the Company have entered into a letter agreement dated as of November 4, 2011 describing certain terms of his employment, including base salary, target annual performance bonus opportunity, a long-term incentive award and inducement equity awards, all as further described below.

As Chief Executive Officer, Mr. Rohr will receive an annual salary of \$1,000,000. Pursuant to the Company’s 2012 Annual Performance Bonus Plan, Mr. Rohr will have an opportunity to earn an annual cash incentive award for 2012 with a target value equal to 100% of his eligible earnings. Similar to all other bonus-eligible employees within the Company, the actual award can range from 0% to 400% of the target award, with 0% to 200% based on business performance modifiers and 0% to 200% based on individual performance modifiers. Mr. Rohr will also be eligible for a long-term incentive award for 2012 under the Company’s Long-Term Incentive Program in the form of equity awards with an aggregate target value of \$4,500,000. The annual grants will be subject to the CEO-level hold requirements in effect at the time of the grant. In addition, as an inducement to Mr. Rohr accepting the position of Chief Executive Officer and to further align his interests with those of our stockholders, he will be entitled to equity awards expected to be granted pursuant to the terms of the Company’s 2009 Global Incentive Plan and as of the date of the Compensation Committee’s meeting to be held the week of April 2, 2012 as follows: (i) stock options having a grant date fair value equal to \$562,500, (ii) time-vesting restricted stock awards having a grant date fair value equal to \$3,000,000, and (iii) performance-vesting restricted stock unit awards having a grant date fair value equal to \$1,687,500. The inducement stock options and performance-vesting restricted stock equity awards will be subject to the current CEO-level hold requirements. The time-vesting restricted stock inducement award is subject to the requirements of the Company’s stock ownership guidelines. Vesting provisions will apply to Mr. Rohr’s equity awards if he retires after attaining age 65 with 5 years of service (excluding service as a non-employee Director). Upon retirement, time-based and performance-vesting restricted stock units will be eligible for pro rata vesting on the original vest date and subject to the hold requirements in effect at the time and stock options will continue to vest and become exercisable on the original vesting schedule and will remain exercisable for the full option term.

As an executive officer of the Company, Mr. Rohr will also be eligible to enter into the Company’s standard form of Change-in-Control Agreement for senior executives which provides a lump sum payment in the case of a termination of employment without cause (or a termination by the executive with good reason as defined in the Change-in-Control Agreement) within two years after a change-in-control of two times the sum of (i) the executive’s then annualized base pay and (ii) the higher of the most recent target bonus or the average of the most recent three years’ cash bonus, plus medical coverage for two years following termination. There is no tax gross-up, and the executive may be required to accept lesser benefits upon a change-in-control, if necessary to eliminate certain excise taxes, assuming a reduction in these benefits would result in a greater after tax amount. The Change-in-Control Agreement contains certain non-compete and non-solicit provisions that are in effect for two years following termination.

The letter agreement also provides that Mr. Rohr will be entitled to vacation, relocation assistance (as offered to all executives) and other employee benefits under standard Company policies.

As disclosed in the Company’s 2011 Proxy Statement, in the normal course of business, the Company has transactions with Albemarle; however, such transactions are not material in amount as to the Company. During fiscal 2010, the Company paid Albemarle approximately \$14,000, and Albemarle paid the Company approximately \$1.3 million for certain products and/or services. During fiscal 2011 (through September 30, 2011), the Company paid Albemarle approximately \$1.0 million, and Albemarle paid the Company approximately \$1.7 million for certain products and/or services. These transactions were pre-approved under the terms of the Company’s Related Party Transaction Policies and Procedures.

A copy of Mr. Rohr’s letter agreement is filed herewith as Exhibit 10.1 and incorporated herein by reference. A copy of the press release issued on November 7, 2011 announcing Mr. Rohr’s appointment is furnished as Exhibit 99.1.

Item 9.01**Financial Statements and Exhibits.**

The information contained in Exhibit 99.1 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Letter Agreement dated November 4, 2011
99.1	Press Release dated November 7, 2011

SIGNATURES

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

CELANESE CORPORATION

By: /s/ James R. Peacock III
Name: James R. Peacock III
Title: Vice President, Deputy General Counsel and Assistant
Corporate Secretary

Date: November 7, 2011

Exhibit Index

<u>Exhibit Number</u>	<u>Description</u>
10.1	Letter Agreement dated November 4, 2011
99.1	Press Release dated November 7, 2011



November 2, 2011

Mr. Mark Rohr

Dear Mark:

On behalf of Celanese, I am pleased to confirm our offer for the position of Chief Executive Officer of Celanese Corporation. In addition, the Board of Directors confirms its intention to appoint you as Chairman of the Board effective April 2, 2012. You will be required to devote your full time and attention to this position, and you will be required to relinquish any other employment other than non-executive Board positions. Your position will be based in Dallas, TX and is expected to commence no later than April 2, 2012.

Base Salary

Your base salary will be \$1,000,000 per year and will be payable on a bi-weekly basis in accordance with the Company's normal payroll practice.

Annual Bonus

As the CEO you will be eligible to participate in the Company's annual bonus plan. Our bonus plan uses both a number of financial and non-financial measures and your personal performance to determine your actual bonus payout each year. For 2012, your annual bonus opportunity at target will be 100% of your eligible wages (the "Target"), with a "Stretch" opportunity for business performance of up to 200% of your eligible wages. A personal performance modifier also currently allows for an additional adjustment between 0% and 200% of your planned bonus payout to reflect your individual performance relative to your annual objectives. Accordingly, the absolute maximum payout for the annual bonus would be 400% of your eligible earnings.

For 2012, you will be eligible for a pro-rata bonus, based on actual Company and individual performance. You must be employed by Celanese at the time such bonus payments are made, generally in March of the following year, in order to remain eligible to receive the bonus payout.

Initial Equity Awards¹

As described more fully below, Celanese believes that an executive's interests should be aligned with shareholder interests, in part through equity ownership in the Company. As a result, you will receive equity awards as part of your initial offer package. Your initial equity awards will consist of the following:

Time-vesting Restricted Stock Awards (Time-vesting RSAs): You will receive an award of Time-vesting RSAs having a grant date fair value equal to \$3,000,000 that will vest one-third in October, 2012, one-third on grant date (April 2013) and the last one-third on the 3 year (36 month) anniversary date of the award grant. . Once vested, the after-tax portion of these shares will be required to be held until the CEO stock ownership guideline has been met, as described later in this document.

Performance-vesting Restricted Stock Units (Performance RSUs): You will receive an award of Performance RSUs having a grant date fair value equal to \$1,687,500. The Performance RSU Award will vest in November 2014 at the same time and utilizing the same metrics of the annual performance awards approved for the November 1, 2011 grant. The actual number of Performance RSUs that vest may be more or less than your target award based on the Company's achievement of specific metrics/goals measured against its peers over a defined performance period.

Stock Options: You will receive an award of nonqualified options to purchase shares of Company common stock having a grant date fair value equal to \$562,500. The stock options will vest 25% each year over a four-year period and will have a maximum term of 7 years from the date of grant. The option exercise price will be the average of the high and low trading prices of Celanese stock on the grant date.

¹ Awards will be converted to shares / units utilizing the Accounting Fair Value on the date of grant; this includes a Monte-Carlo simulation for the performance RSUs and a Black-Scholes methodology for the Stock Options. Partial shares / units will not be granted and therefore the number to be granted will be rounded down to the nearest whole share / unit.

The Compensation Committee of the Board of Directors has approved these awards, subject to your acceptance of this letter, with the grant date to be as of the Compensation Committee meeting to occur the week of April 2, 2012. The complete terms of your initial award(s) will be included in one or more award agreements sent to you after the grant date. All equity awards will be subject to hold requirements applicable to the particular award and your position. You will be required to sign appropriate award agreements and the Celanese LTI Claw-back agreement in order to receive the award(s).

Long-Term Incentive Awards

Celanese currently delivers Long-Term Incentive (LTI) compensation to senior executives through annual grants of equity awards. Annual LTI awards are planned to occur in the third and fourth quarters of each calendar year. The aggregate grant date value and mix of awards are based on a combination of salary level, individual contribution and performance, market levels of long-term incentive compensation and other factors. Each year, the Compensation Committee evaluates the level of awards and the mix among various stock-based vehicles. Going forward, you will be eligible for an LTI award consistent with your position at the Company. For 2012, the target value of LTI awards for the CEO position

will be \$4,500,000. In addition to your initial long-term equity award, you will be eligible for an annual grant in 2012.

Employees of the Company do not receive compensation for services as Director and you therefore would not be eligible for a Director LTI award in April 2012.

Retirement

You will be eligible for retirement once you have reached the age of 65 and have 5 years of service with the Company. Your long-term incentive award agreements will include retirement provisions that will include the following vesting provisions:

A prorated number of PRSUs, based on time worked and plan earnings schedule, will vest, subject to adjustment for the achievement of performance metrics, on the original grant vesting schedule. Once the shares have been earned and are vested, the applicable holding requirement will become effective.

A prorated number of time-vested RSUs, based on time worked, will vest on the original grant vesting schedule. Once the shares have been earned and are vested, the applicable holding requirement will become effective.

Stock options will continue to vest on the original grant vesting schedule. Options will remain exercisable for the seven-year term. Net shares obtained upon the exercise of options are required to be held for one year after acquisition.

Change-in-Control Agreement

You will be eligible to receive change-in-control benefits as described in the Change-in-Control agreement that will be issued to you upon hire. Generally the cash provision is equal to two (2) times the sum of (i) your then current annualized base salary; and (ii) the higher of (x) your Target Bonus in effect on the last day of the Fiscal Year that ended immediately prior to the year in which the Termination Date occurs, or (y) the average of the cash bonuses paid by the Company to you for the three Fiscal Years preceding the Termination Date. Your long-term incentive awards are governed by the terms and conditions of the applicable individual award agreements.

Your change-in-control agreement will include a “best-net” provision that states the Company will cut back change-in-control payments to the safe harbor limit only if you would receive a greater after-tax benefit than if the excise tax were paid by you on any excess parachute payment. You will not be entitled to any tax gross-up.

Stock Ownership Guidelines

In order to align our executives’ interests with those of our shareholders, Celanese expects senior leaders to maintain equity ownership in the Company commensurate with their position. You will be subject to

stock ownership guidelines applicable to your position as in effect from time to time. The current CEO stock ownership guideline is equal to a value of 6 times your annual base salary and you will have five (5) years to meet the guideline. In computing compliance with our stock ownership guidelines, the value of any unvested Restricted Stock and Restricted Stock Unit awards (time- or performance-vested) granted to you as well as any Celanese stock that you beneficially own in your various Company and individual accounts will be included.

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 that are generally made available to other employees of the Company. We offer medical and dental coverage, group life insurance (1 times the annual base pay), a cash balance pension plan, and a 401k plan that matches 100% of the first 5% of the employee's contributions.

Additionally, you will be eligible to participate in the Celanese Annual Executive Physical Program including the annual physical with the Baylor Personal Edge program. You will also be eligible to receive the BioPhysical 250 blood screen every 5 years.

Relocation Assistance

Celanese will assist in your relocation to the Dallas area under the provisions of our relocation policy for new employees in effect at that time. Generally, this policy provides for the shipment of household goods, home sale and purchase assistance (for homeowners) and a lump-sum payment to assist with various miscellaneous expenses associated with your relocation. The home sale and purchase assistance can be utilized for up to one (1) year after you relocate to the Dallas area. Details of our relocation policy will be provided to you under separate cover.

Should you voluntarily end your employment with Celanese for any reason within two (2) years of your start date, Celanese will seek full repayment of any relocation assistance provided to you.

Vacation

You will be entitled to four (4) weeks annual vacation. Vacation availability for the first year of employment will be prorated based on your anticipated start date, in accordance with the Company's vacation policy.

Restrictive Covenant Agreement (RCA)

As a condition of your employment, you will be required to execute a Restrictive Covenant Agreement (the "RCA") with the Company regarding protection and non-disclosure of confidential information and non-competition, non-solicitation and no hire. A copy of this agreement will be provided to you under separate cover.

Terms & Conditions of Employment

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.

Background Check & Drug Screen

A third-party background check has already been satisfactorily completed in which the Compensation Committee and the Board of Directors, with your consent, have reviewed.

You will need to complete a drug screen. Arrangements for the Hair Drug screen will be coordinated through Concentra Medical Services (the required paperwork and instructions are enclosed). This should be completed no later than two (2) weeks before your start date. If not satisfactorily completed, the offer will be rescinded.

Employment Verification

As required by law, we will need to verify and document your identity and eligibility for employment in the United States. You can find a complete list of acceptable documents at <http://www.uscis.gov/files/form/i-9.pdf>. Please bring appropriate documentation on your start date. **Do not complete the form in advance; you must complete it on your first day of employment.**

Mark, we are most enthusiastic about your joining the team. If these provisions are agreeable to you, please sign one copy of this letter and return it to Jackie Wolf in the self-addressed envelope no sooner than November 4, 2011.

Sincerely,

/s/ John Wulff

John Wulff
Celanese Compensation Committee Chair

Acknowledgment of Offer:

(Please check one)

- I accept the above described offer of employment with Celanese and understand that my employment status will be considered at-will and may be terminated at any time for any reason. Upon acceptance of this offer, I agree to keep the terms and conditions of this agreement confidential.
- I decline your offer of employment.

Signature: /s/ Mark Rohr
Mr. Mark Rohr

Date: November 4, 2011

Anticipated Start Date: April 2, 2012

Reviewed and approved:

/s/ GNN Gjon Nivica, SVP, General Counsel and Corporate Secretary

/s/ JHW Jacquelyn Wolf, SVP, Human Resources



News Release

Celanese Corporation
1601 West LBJ Freeway
Dallas, TX 75234

**Weidman Announces April 2012 Retirement;
Mark Rohr to Succeed as Chairman and Chief Executive Officer**

Dallas, November 7, 2011 - Celanese Corporation (NYSE: CE) announced today the future retirement of its chairman and chief executive officer, David N. Weidman, who will remain with the company through April 2, 2012. Celanese's Board of Directors has appointed Mark C. Rohr to succeed Mr. Weidman as chief executive officer, and will appoint Mr. Rohr as Chairman, both effective as of April 2, at which point Mr. Weidman will also retire from the Board. Mr. Weidman will be working with Mr. Rohr, who has served on the Celanese Board of Directors since 2007, to complete a smooth and effective transition.

"I am truly honored to have led the Celanese team over the past 11 years," said Weidman. "As a member of the Celanese board and a successful chief executive officer, Mark is exceptionally well prepared for this role. I'm highly confident in the company's future under Mark's leadership."

Paul O'Neill, presiding director said, "On behalf of the Board of Directors, we thank Dave for his outstanding leadership and his commitment to performance over the past decade. As a result of his efforts the company is well positioned for the future." He continued, "Mark has a long track record of excellence and is recognized as a top global leader in our industry. With his knowledge of Celanese and the chemicals space, Mark is the ideal choice to lead the company."

Weidman joined Celanese in 2000. In 2002 he was named chief operating officer and was named chief executive officer in 2004 following the company's move from Germany to the United States. Weidman led the company through its initial public offering in January 2005 and was elected chairman of the board in 2007. A graduate of Brigham Young University and the University of Michigan, Weidman recently established the Weidman Center for Global Leadership at the Ira A. Fulton College of Engineering and Technology at Brigham Young University.

Rohr will continue to serve as executive chairman of the Board of Albemarle Corporation until February 1, 2012. He previously held the positions of chief executive officer and chairman of Albemarle until September 1, 2011. Rohr joined Albemarle in 1999 and served in a variety of leadership and executive positions.

"I am eager to join Celanese and its global team to help in the next phase of the journey to becoming the premier chemical company," said Rohr. "I believe that Celanese is at a defining moment in its history and look forward, along with the rest of the leadership team, to continuing to create value for the Celanese shareholders and building a strong future for our employees."

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Contacts:**Investor Relations**

Jon Puckett
Phone: +1 972 443 4965
Telefax: +1 972 443 8519
jon.puckett@celanese.com

Media Relations

Linda Beheler
Phone: +1 972 443 4924
Telefax: +1 972 443 8519
Linda.Beheler@celanese.com

About Celanese

Celanese Corporation is a global technology leader in the production of specialty materials and chemical products which are used in most major industries and consumer applications. Our products, essential to everyday living, are manufactured in North America, Europe and Asia. Known for operational excellence, sustainability and premier safety performance, Celanese delivers value to customers around the globe with best-in-class technologies. Based in Dallas, Texas, the company employs approximately 7,250 employees worldwide and had 2010 net sales of \$5.9 billion, with approximately 72% generated outside of North America. For more information about Celanese Corporation and its global product offerings, visit www.celanese.com.

Forward-Looking Statements

This release may contain "forward-looking statements," which include information concerning the company's plans, objectives, goals, strategies, and other information that is not historical information. When used in this release, the words "outlook," "forecast," "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements are based upon current expectations and beliefs and various assumptions. There can be no assurance that the company will realize these expectations or that these beliefs will prove correct. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained in this release. Numerous factors, many of which are beyond the company's control, could cause actual results to differ materially from those expressed as forward-looking statements. Certain of these risk factors are discussed in the company's filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made, and the company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

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