

INVITATION TO THE ANNUAL SHARE- HOLDERS' MEETING

EVONIK INDUSTRIES AG
MONDAY, AUGUST 31, 2020,
10 A.M.¹

¹ Central European Summer Time – CEST



**We hereby invite our shareholders to the
Annual Shareholders' Meeting**

at 10 a.m. (Central European Summer Time – CEST)
on Monday, August 31, 2020

with the following provision:

The Annual Shareholders' Meeting takes place as a virtual Annual Shareholders' Meeting without physical presence of either the shareholders or their proxies (with the exception of the voting proxies designated by the Company); there is **no right or opportunity for shareholders to be present at the place of the Annual Shareholders' Meeting.**

A live video and audio transmission will be provided on the Internet. The shareholders' voting rights are exercised exclusively by way of postal vote or by granting power of attorney to a proxy, especially the voting proxies designated by the Company.

The venue of the Annual Shareholders' Meeting within the meaning of the German Stock Corporation Act is the administrative headquarter of Evonik Industries AG, Rellinghauser Strasse 1–11, 45128 Essen, Germany (Building 5, Main Hall).

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I. Agenda

1. Provision of documents for the Annual Shareholders' Meeting in accordance with Section 176 Paragraph 1 Sentence 1 of the German Stock Corporation Act (Aktien-gesetz – "AktG")

Pursuant to Section 176 Paragraph 1 Sentence 1 AktG, the Executive Board provides access to the following documents for the Annual Shareholders' Meeting:

- the adopted annual financial statements of Evonik Industries AG as of December 31, 2019
- the approved consolidated financial statements as of December 31, 2019
- the combined management report and the group management report for the Evonik Group and Evonik Industries AG, including the explanatory report of the Executive Board relating to the information provided pursuant to Section 289a Paragraph 1 and Section 315a Paragraph 1 of the German Commercial Code (Handelsgesetzbuch – "HGB").
- the report of the Supervisory Board of Evonik Industries AG, and
- the Executive Board's proposal for the allocation of the net profit.

All the above documents are accessible in the internet at

www.evonik.com/annual-shareholders-meeting

Further, the documents will be accessible during the Annual Shareholders' Meeting.

Pursuant to Section 172 AktG, on March 3, 2020 the Supervisory Board approved the annual financial statements and the consolidated financial statements as prepared by the Executive Board on February 19, 2020. The approval by the Supervisory Board of the annual financial statements constitutes their adoption. Accordingly, pursuant to Section 173 Paragraph 1 AktG, the Annual Shareholders' Meeting is not required to formally adopt the financial statements or approve the consolidated financial statements. The other documents specified above, too, only have to be made accessible at the Annual Shareholders' Meeting and explained at the Meeting in accordance with Section 176 Paragraph 1 Sentence 2 AktG; no resolution is required, apart from a resolution on the allocation of the net profit.

2. Resolution on the allocation of the net profit

The Executive Board and Supervisory Board had initially decided to convene the Annual Shareholders' Meeting on May 27, 2020 and to propose the distribution of a dividend of €1.15 per no-par value share. Due to the spread of the SARS-CoV-2 virus (COVID-19 pandemic), the date of the Annual Shareholders' Meeting has been postponed to August 31, 2020. Against this background, the Executive Board, with the consent of the Supervisory Board, has made use of the option provided

by Section 1 Paragraph 4 sentence 1 of the German Act on Measures in Corporate, Cooperative, Association, Foundation and Residential Property Law to combat the effects of the COVID-19 pandemic and has resolved to pay an advance of €0.57 per no-par value share entitled to dividend. The advance was paid on June 3, 2020. Furthermore, the Executive Board and Supervisory Board have decided to propose to the Annual Shareholders' Meeting on August 31, 2020 to maintain a dividend payment of €1.15 per no-par value share entitled to dividend, less the advance payment of €0.57 per no-par value share entitled to dividend already made.

The claim for payment of the dividend becomes due on the third business day (Geschäftstag) after the resolution by the Annual Shareholders' Meeting unless a later due date is determined in the articles of association or in the resolution on the allocation of the net profit (Section 58 Paragraph 4 Sentences 2 and 3 AktG). In contrast, an earlier due date is not permitted (Section 58 Paragraph 4 Sentence 3 AktG).

The Executive Board and Supervisory Board propose that the following resolution be adopted:

The net profit of €950,000,000.00 stated in the annual financial statements for fiscal year 2019, to the extent the net profit still exists in consideration of €0.57 per no-par value share entitled to dividend already paid on June 2, 2020, shall be allocated as follows:

• Advance payment already paid on the net profit of €0.57 per share entitled to the dividend	=	€265,620,000.00
• Payment of a dividend of €0.58 per no-par value share entitled to the dividend	=	€270,280,000.00
• Allocation to other revenue reserves	=	€0.00
• Amount carried forward	=	€414,100,000.00

Net profit = **€950,000,000.00**

The dividend will be paid on September 3, 2020.

This proposal for the allocation of the profit is based on the capital stock of €466,000,000.00 divided into 466,000,000 no-par value shares—entitled to a dividend on February 19, 2020 (date of establishment of the annual financial statements). The number of shares entitled to the dividend and thus the total amount of the dividend could decrease in the period up to the date on which the resolution on the allocation of the net profit is passed. In this case, the Executive Board and Supervisory Board will submit an amended resolution proposal for the allocation of the net profit, which will, however, propose an unchanged distribution of €0.58 per no-par value share entitled to the dividend, and a corresponding increase in the amount to be carried forward.

3. Resolution on formal approval of the actions of the members of the Executive Board in fiscal year 2019

The Executive Board and Supervisory Board propose that the following resolution be adopted:

The actions of the members of the Executive Board who held office in fiscal year 2019 are hereby formally approved for this period.

4. Resolution on formal approval of the actions of the members of the Supervisory Board in fiscal year 2019

The Executive Board and Supervisory Board propose that the following resolution be adopted:

The actions of the members of the Supervisory Board who held office in fiscal year 2019 are hereby formally approved for this period.

5. Resolution on the appointment of the auditor and of the Group auditor for fiscal year 2020 and of the auditor for an audit review of additional financial information during fiscal year 2020 pursuant to Section 115 Paragraph 7 of the German Securities Trading Act (Wertpapierhandelsgesetz – "WpHG") and during fiscal year 2021 up to the next Annual Shareholders' Meeting

Based on a corresponding recommendation of the Audit Committee, the Supervisory Board proposes that the following resolution be adopted:

- a) PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main (Germany), is appointed
 - aa) as the auditor and Group auditor for fiscal year 2020
 - bb) as the auditor for any review of the interim financial statements and interim management report pursuant to Section 115 Paragraph 7 WpHG for additional financial information during fiscal year 2020
 as well as
- b) KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin (Germany), is appointed as the auditor for any review of the interim financial statements and interim management report pursuant to Section 115 Paragraph 7 WpHG for additional financial information during fiscal year 2021 up to the next Annual Shareholders' Meeting.

Both the recommendation of the Audit Committee—including its preference in favor of KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as auditor for the review of the interim financial statements and interim management report pursuant to Section 115 Paragraph 7 WpHG of additional interim financial information in the fiscal year 2021 until the next Annual Shareholders' Meeting—and the proposal put forward by the Supervisory Board are free of any undue influence by third parties. Furthermore, there were no rules restricting the selection of the auditor for the audit of the financial statements to a specific auditor or audit firm.

Both PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main (Germany), and KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin (Germany), have declared to the Supervisory Board that there are no business, financial, personal or other relations between them, their governing bodies and their lead auditors on the one hand, and the Company and its members of the governing bodies on the other, that could give rise to doubts about its independence.

6. Resolution on authorization to acquire and utilize treasury shares in the Company, with possible exclusion of subscription right and any tender right

It is proposed that the authorization adopted under item 8 of the agenda at the Annual Shareholders' Meeting of Evonik Industries AG on May 18, 2016 on the acquisition of shares be withdrawn and replaced by a new authorization on the acquisition and utilization of treasury shares.

The Executive Board and Supervisory Board propose that the following resolution be adopted:

- a) The Executive Board is authorized, subject to the approval of the Supervisory Board, to acquire treasury shares, in the period until August 30, 2025, amounting to up to €46,600,000.00 of the capital stock—that is 10 percent of the capital stock—with the proviso that the shares acquired on the basis of this authorization, together with other shares in the Company that the Company has already acquired and still holds, or which are attributed to it under Sections 71d and 71e AktG shall not at any time exceed 10 percent of the Company's capital stock. Further, the provisions of Section 71 Paragraph 2 Sentences 2 and 3 AktG must be complied with. The purchase may not be made for the purpose of trading in shares in the Company.

The authorization may be exercised in full or in part. The acquisition can be carried out in partial tranches spread over various purchase dates within the authorization period until the maximum acquisition volume is reached.

The acquisition may also be undertaken by dependent Group companies of Evonik Industries AG within the meaning of Section 17 AktG or by third parties acting for the account of Evonik Industries AG or for the account of dependent Group companies of Evonik Industries AG within the meaning of Section 17 AktG.

- b) The shares are acquired in compliance with the principle of equal treatment (Section 53a AktG) through the stock exchange. Instead of this, shares may also be purchased by means of a public purchase offer or share exchange offer made to all shareholders, which, subject to an exclusion of the right to tender shares set forth below, must also comply with the principle of equal treatment (Section 53a AktG).
- ba) If the shares are purchased via the stock exchange, the price per share (excluding transaction costs) may not be more than 5 percent above or 5 percent below the share price determined in the opening auction in XETRA trading on the Frankfurt Stock Exchange, or an electronic trading platform that has replaced it, on the stock exchange trading day on which the contractual transaction was concluded.
- bb) If the shares are purchased through a public purchase offer made to all shareholders, the purchase price or the threshold values of the purchase price range offered per share (excluding transaction costs) may not be more than 10 percent above or 10 percent below the average price of the share on the stock exchange between the 9th and 5th stock exchange trading days before the day on which the offer is published, determined on the basis of the arithmetic mean of the closing auction prices for the shares in XETRA trading on the Frankfurt Stock Exchange, or an electronic trading platform that has replaced it, on the 9th, 8th, 7th, 6th and 5th stock exchange trading days prior to publication of the offer. The offer volume may be limited. If the total number of shares tendered exceeds this limit, the purchase may be based on a proportion of the shares offered; further, preferential acceptance of low amounts of up to 100 shares tendered per shareholder and, to avoid arithmetical fractional amounts of shares, rounding using commercial principles, may be provided for. Any further right to tender by shareholders is excluded to this extent.
- bc) If the shares are purchased through a public share exchange offer to all shareholders, the consideration offered, i.e. the value of the consideration offered, for each share (excluding transaction costs) may not be more than 10 percent above or 10 percent below the average price of the share on the stock exchange between the 9th and 5th stock exchange trading days before the day on which the offer is published, determined on the basis of the arithmetic mean of the closing auction prices for the shares in XETRA trading on the Frankfurt Stock Exchange, or an electronic trading platform that has replaced it, on the 9th, 8th, 7th, 6th and 5th stock exchange trading days prior to publication of the offer. If the consideration offered for the shares comprises an offer of shares that are listed on a domestic or foreign stock exchange within the meaning of Section 3 Paragraph 2 AktG, the average market price between the 9th and 5th stock exchange trading days before the day on which the offer is published shall be used to determine the equivalent value, established on the basis of the arithmetic mean of the closing auction prices for the shares on the domestic or foreign market that complies with the requirements of Section 3 Paragraph 2 AktG, on the 9th, 8th, 7th, 6th and 5th stock exchange trading days prior to publication of the offer. If the

share is traded on several such markets, only the market with the highest trading volume shall be used. The offer volume may be limited. If the total number of shares tendered exceeds this limit, the purchase may be based on the proportion of the shares offered; further preferential acceptance of low amounts of up to 100 shares tendered per shareholder and, to avoid arithmetical fractional amounts of shares, rounding using commercial principles, may be provided for. Any further right to tender by shareholders is excluded to this extent.

- c) The Executive Board is authorized, subject to the approval of the Supervisory Board, to use the shares in Evonik Industries AG purchased under the above authorization
 - ca) to offer them to shareholders for subscription on the basis of an offer made to all shareholders, observing their subscription rights and the principle of equal treatment (Section 53a AktG).
 - cb) to sell them on the stock exchange observing the principle of equal treatment (Section 53a AktG).
 - cc) to sell them in a manner other than via the stock exchange or through an offer to all shareholders, provided that the shares purchased are sold for cash at a price that is not significantly lower than the stock exchange price of shares in the Company of equal ranking at the time of sale; this authorization is limited to a maximum of 10 percent of the capital stock of Evonik Industries AG at the time of the resolution adopted by the Annual Shareholders' Meeting on this authorization, i.e. a maximum of €46,600,000.00 or—if this value is lower—10 percent of the capital stock at the time of sale of the shares; the volume authorized shall be decreased by the proportional amount of the capital stock represented by shares or by warrants and/or conversion rights or obligations arising from debt instruments issued or sold since the granting of this authorization under exclusion of subscription rights in application—directly, analogously or mutatis mutandis—of Section 186 Paragraph 3 Sentence 4 AktG.
 - cd) to offer them for acquisition by, or to promise or transfer them to employees of Evonik Industries AG and subordinated affiliated companies or members of the management of subordinated affiliated companies; this also comprises the authorization to offer, promise or transfer the shares free or on other preferential terms. The shares purchased under the above authorization may be transferred to another company or any other third party that meets the requirements of Section 186 Paragraph 5 Sentence 1 AktG, which assumes the shares with the obligation to offer them for acquisition or to promise or transfer them exclusively to employees of Evonik Industries AG and its subordinated affiliated companies and to members of the management of subordinated affiliated companies. Subject to the approval of the Supervisory Board, the Executive Board may obtain the shares to be transferred to employees of Evonik Industries AG and subordinated affiliated companies and to members of the management of subordinated affiliated companies through a securities loan from another company or any other third party that meets the requirements of Section 186 Paragraph 5 Sentence 1 AktG and use shares in Evonik Industries AG purchased under the above purchase authorization to repay the securities loan.

- ce) to offer and/or grant third parties shares in connection with mergers or in the context of the acquisition of companies, business operations or equity investments in companies, including increasing existing equity investments, or other depositable assets in connection with the merger or acquisition, including third party receivables against the Company or its subordinated affiliated companies within the meaning of Section 18 AktG.
- cf) for the purpose of listing Company shares—either alone or jointly with one or more shareholders—on domestic or foreign stock exchanges on which they are not listed.
- cg) for the execution of a so-called scrip dividend where shareholders are offered the option of using their dividend rights in full or in part to acquire shares.
- ch) for the fulfillment of option and/or conversion rights or obligations arising from warrant bonds and/or convertible bonds issued by the Company on the basis of the authorization under item 9 clause b) of the agenda for the Annual Shareholders' Meeting on May 23, 2018, either directly or through a subordinated Group company within the meaning of Section 18 AktG in which the Company holds at least 90 percent of the voting rights and the capital.
- ci) for redemption shares, without requiring a further resolution of the Shareholders' Meeting on the redemption or its execution. The redemption leads to a reduction in capital. Notwithstanding this, subject to the approval of the Supervisory Board, the Executive Board may decide that the capital stock shall remain unchanged upon redemption of the shares and that, instead, the redemption shall increase the proportion of the capital stock allocated to the other shares, pursuant to Section 8 Paragraph 3 AktG. In such case, the Executive Board is authorized to adjust the number of shares stated in the Articles of Association.
- d) The Supervisory Board is authorized to use shares in Evonik Industries AG acquired on the basis of the above purchase authorization to fulfill the rights of members of the Executive Board to receive shares in Evonik which the Supervisory Board has granted to these members as part of the arrangement governing the remuneration of the Executive Board.
- e) The subscription right of shareholders shall be excluded insofar as the Executive Board uses shares in Evonik Industries AG in accordance with the above authorizations under clauses cb), cc), cd), ce), cf), cg) and ch) and insofar as the Supervisory Board uses the shares of Evonik Industries AG in accordance with the above authorization in clause d). Furthermore, the Board of Management may, with the approval of the Supervisory Board, exclude the subscription rights of shareholders for fractional amounts if shares in Evonik Industries AG are sold to the Company's shareholders by offering them for sale in accordance with clause ca).
- f) The above authorizations may be used once or multiple times, individually or jointly, in whole or related to partial volumes of the shares to be acquired.

- g) The price at which shares in Evonik Industries AG are listed to stock exchanges in accordance with clause cf) or at which they are sold to third parties under the authorizations in clauses cb) and cc) may not be more than 5 percent below the price in the closing auction in XETRA trading on the Frankfurt Stock Exchange, or an electronic trading platform that has replaced it, on the stock exchange trading day before the date of introduction or the date on which the binding agreement is made with the third party.
- h) Insofar as the approval of the Supervisory Board is required as set forth above, the approval of a committee of the Supervisory Board named by the Supervisory Board for this purpose shall be sufficient.
- i) The authorization to acquire treasury shares in the Company adopted under item 8 of the agenda for the Annual Shareholders' Meeting on May 18, 2016 is hereby withdrawn. This does not affect the authorization of the Annual Shareholders' Meeting on May 18, 2016 for the use of treasury shares in the Company.
- j) Further, the Executive Board is authorized, subject to the approval of the Supervisory Board, to use shares in Evonik Industries AG already held by Evonik Industries AG on August 31, 2020 for the purposes set forth in clauses ca) to cg) and the Supervisory Board is also authorized to use shares in Evonik Industries AG already held by Evonik Industries AG on August 31, 2020 for the purposes set forth in clause d). Insofar, clauses e) to h) shall apply analogously.

Report to the Annual Shareholders' Meeting

With reference to item 8 of the agenda for the Annual Shareholders' Meeting on August 31, 2020, the Executive Board and Supervisory Board propose that the Company be authorized pursuant to Section 71 Paragraph 1 No. 8 of the German Stock Corporation Act (Aktiengesetz – "AktG"), to acquire, up to August 30, 2025, shares in the Company amounting to up to €46,600,000.00 of the capital stock—that is 10 percent of the capital stock. The present authorization adopted by the Annual Shareholders' Meeting on May 18, 2016 to acquire shares in the Company is to be withdrawn and replaced by a new authorization on the acquisition and utilization of shares in the Company. This does not affect the resolution of the Annual Shareholders' Meeting on May 18, 2016 on the authorization for use of treasury shares in the Company that have been acquired.

The purchase of shares in the Company may be made, on the basis of the new authorization proposed in item 6 of the agenda for this year's Annual Shareholders' Meeting, either via the stock exchange or via a public purchase or share exchange offer to all shareholders.

If shares in the Company are acquired through a public acquisition offer made to all shareholders or through a public share exchange offer made to all shareholders, under the proposed authorization, the purchase may take the form of a proportion of the shares tendered (tender ratio) if the total number of shares tendered exceeds a volume limit set by the Executive Board. Technically, the purchase can only be handled in an economically viable framework if the acquisition takes place on the principle of tender ratios rather than the proportionate stake held. Further, preferential acceptance of low amounts of up to 100 shares tendered per shareholder may be provided for. This option is intended to avoid small and normally uneconomical residual amounts and the possible resulting de facto discrimination against small shareholders. Further, it is intended to simplify technical handling of the acquisition process. Finally, in all cases, rounding based on commercial principles should be provided for to avoid arithmetical fractional amounts of shares. Thus, the purchase ratio and/or the number of shares tendered by individual shareholders can be rounded using commercial principles insofar as this is technically necessary to ensure the purchase of full shares. In the above cases, the exclusion of any further tender right is necessary, and the Executive Board and Supervisory Board are convinced that, for the reasons given, this is legitimate and is reasonable with regard to shareholders.

Under the proposed authorization, the purchase of treasury shares in the Company may also be undertaken by Group companies or directly or indirectly dependent Group companies of Evonik Industries AG within the meaning of Section 17 AktG or by third parties acting for the account of Evonik Industries AG or for the account of dependent Group companies of Evonik Industries AG within the meaning of Section 17 AktG.

The authorization under item 6 of the agenda provides that shares in the Company that have been purchased can be sold again through an offer to all shareholders (clause ca) of the authorization) or via the stock exchange (clause cb) of the authorization). However, Evonik Industries AG should also be able to sell shares in the Company in a manner other than via the stock exchange or through an offer for sale made to all shareholders, in return for a cash payment, at a price that is not significantly below the stock exchange price (clause cc) of the authorization). Further, the authorization provides that the shares purchased may be offered for acquisition by, promised or transferred to employees of Evonik Industries AG and subordinated affiliated companies and members of the management of subordinated affiliated companies; this also comprises authorization to offer, promise or transfer the shares free or on other preferential terms (clause cd) of the authorization). Further, the Company should be able to offer and/or grant third parties shares in the company in connection with mergers or in the context of the acquisition of companies, business operations or equity investments in companies, including increasing existing equity investments, or other depositable assets in connection with the merger or acquisition, including third party receivables against the Company or its subordinated affiliated companies within the meaning of Section 18 AktG (clause ce) of the authorization). In addition, Evonik Industries AG should be able to list the shares repurchased—either alone or jointly with other shareholders—on domestic or foreign stock exchanges on which they are not currently listed (clause cf) of the authorization). Furthermore, it should be possible to use shares in the Company to execute a so-called scrip dividend, where the shareholder's claim to a dividend is used in full or in part to acquire shares (clause cg) of the authorization). In addition, it should also be possible to use shares in the Company for the fulfillment of option and/or conversion rights or obligations arising from warrant bonds and/or convertible bonds issued by the Company on the basis of the authorization under item 9 clause b) of the agenda for the Annual Shareholders' Meeting on May 23, 2018, either directly or through a subordinated Group company within the meaning of Section 18 AktG in which the Company holds at least 90 percent of the voting rights and the capital (clause ch) of the authorization). Evonik Industries AG should also have the possibility of redemption of shares in the Company without a new resolution of the Shareholders' Meeting (clause ci) of the authorization). Finally, the Supervisory Board should be able to use shares in Evonik Industries AG to fulfill the rights of members of the Executive Board as part of the arrangement governing the remuneration of the Executive Board (clause d) of the authorization).

The authorizations in clauses ca) to cg) and clause d) of the authorization shall apply not only to shares in the Company that are acquired on the basis of the new authorization to acquire shares, but also for shares in the Company that are already held by Evonik Industries AG on August 31, 2020. Insofar, the following statements on clauses ca) to cg) and clause d) of the authorization shall apply analogously.

The cases in which subscription rights may be excluded are listed in clause e) of the proposed authorization. This states that the subscription rights of shareholders should be excluded insofar as the Executive Board uses shares in Evonik Industries AG in accordance with the above authorizations under clauses cb), cc), cd), ce), cf), cg) and ch) and insofar as the Supervisory Board of Evonik Industries AG uses the shares in accordance with the above authorization in clause d). Further, under clause e) Sentence 2, in the event of sale of shares in the Company through an offer for sale

made to all shareholders of the Company, subscription rights should be excluded for fractional amounts. The following comments are made on the cases where subscription rights are to be excluded:

Re clause cb) of the authorization

If the Executive Board sells shares in the Company, with the approval of the Supervisory Board, via the stock market, shareholders do not have any subscription rights. Under Section 71 Paragraph 1 No. 8 Sentence 4 AktG, the sale of shares in the Company via the stock exchange—and the purchase of such shares via the stock exchange—is sufficient to meet the principle of equal treatment set forth in Section 53a AktG. The price at which shares previously repurchased by the Company can be sold to third parties via the stock exchange may not, in any circumstances, be more than 5 percent below the last price determined in the closing auction in XETRA trading on the Frankfurt Stock Exchange, or an electronic trading platform that has replaced it, prior to the day on which the binding agreement is made with the third party. This is derived from clause g) of the authorization.

Re clause cc) of the authorization

In accordance with Section 71 Paragraph 1 No. 8 Sentence 5 AktG in conjunction with Section 186 Paragraph 3 Sentence 4 AktG, the Executive Board should be authorized, subject to the approval of the Supervisory Board, to sell shares in Evonik Industries AG previously repurchased, up to a maximum of 10 percent of the capital exchange, under exclusion of shareholders' subscription rights, in a manner other than via the stock exchange or through an offer to all shareholders, in return for cash payment at a price that is not significantly below the stock exchange price of shares in the Company with equal ranking at the time of sale. The price at which the repurchased shares are sold to a third party may not, in any circumstances, be more than 5 percent below the last closing auction price in XETRA trading on the Frankfurt Stock Exchange, or an electronic trading platform that has replaced it, prior to the day on which the binding agreement is made with the third party. This is derived from clause g) of the authorization. The final price for the sale of the shares in the Company shall be determined close to the sale of these shares.

The possibility of selling the repurchased shares in the Company for cash under exclusion of subscription rights is in the Company's interest of obtaining the best possible price for the sale of such treasury shares. The ability to exclude subscription rights provided for in Section 186 Paragraph 3 Sentence 4 AktG enables the Company to use opportunities arising from stock exchange conditions fast, flexibly and at low cost. The proceeds that can be obtained by setting a market-related price generally result in a far higher cash inflow per share than in the case of placement of the shares with subscription rights. Further, excluding the time-consuming and expensive processing of subscription rights allows the use of market opportunities at short notice to ensure timely coverage of capital requirements. Where subscription rights are granted, Section 186 Paragraph 2 Sentence 2 AktG permits publication of the purchase price up to three days before the end of the subscription period. However, in view of the volatility of stock markets, even in this case there is a market risk, namely a risk of a change in the share price, over several days, which can lead to safety margins being deducted when fixing the selling price and thus to conditions which are not optimal. Further, if the Company grants subscription rights, the length of the subscription period prevents it responding quickly to favorable or unfavorable market conditions.

The possibility of selling shares in the Company under optimal conditions and without a significant discount for subscription rights is therefore of particular significance for the Company because in new and rapidly changing markets it needs to be able to utilize market opportunities quickly and flexibly. In such cases it may be necessary, or at any rate make sense, to obtain funding at short notice.

The proposed authorization is restricted to a proportionate amount of the capital stock totaling no more than €46,600,000.00, which is 10 percent of the Company's capital stock at the time of the resolution of the Annual Shareholders' Meeting on August 31, 2020. If the capital stock should be decreased—for example, through redemption of repurchased shares—the level of the capital stock at the time of sale of the shares shall be the determining factor. The amount covered by the authorization shall be reduced by the proportionate amount of the capital stock relating to shares or to option and/or conversion rights and/or obligations from bonds that have been issued or sold since the resolution of the Annual Shareholders' Meeting on August 31, 2020, in application—directly, analogously or mutatis mutandis—of Section 186 Paragraph 3 Sentence 4 AktG. This is intended to ensure that the 10 percent threshold provided for in Section 186 Paragraph 3 Sentence 4 AktG is observed, taking into account all authorizations which permit the exclusion of subscription rights pursuant to Section 186 Paragraph 3 Sentence 4 AktG. Limiting the scope of the authorization in this way, together with the fact that the selling price of the shares in the Company to be granted has to be based on the stock exchange price, ensures that adequate attention is paid to the assets and voting right interests of the shareholders when selling shares in the Company to third parties under exclusion of shareholders' subscription rights on the basis of the ruling in Section 71 Paragraph 1 No. 8 Sentence 5 AktG in conjunction with Section 186 Paragraph 3 Sentence 4 AktG. As of the present time, shareholders who wish to maintain their relative share of the capital and their relative share of the voting rights may purchase the necessary number of shares on the stock exchange. The free float for shares in Evonik Industries AG is around 41.1 percent.

Re clause cd) of the authorization

Further, the Executive Board should be authorized, subject to the approval of the Supervisory Board, to use the repurchased shares to offer them for acquisition by, promise or transfer them to employees of Evonik Industries AG and subordinated affiliated companies and to members of the management of subordinated affiliated companies; this authorization should also comprise the ability to offer, promise or transfer the shares free or on other preferential terms. The shares repurchased may be transferred to another company or any other third party that meets the requirements of Section 186 Paragraph 5 Sentence 1 AktG, which assumes the shares with the obligation to offer them for acquisition by or to promise or transfer them exclusively to employees of Evonik Industries AG and subordinated affiliated companies and to members of the management of subordinated affiliated companies. Subject to the approval of the Supervisory Board, the Executive Board may obtain the shares to be transferred to employees of Evonik Industries AG and subordinated affiliated companies and to members of the management of subordinated affiliated companies through a securities loan from another company or any other third party that meets the requirements of Section 186 Paragraph 5 Sentence 1 AktG and use the repurchased shares to repay the securities loan. Shareholders' subscription rights should be excluded in all these cases.

Evonik Industries AG should be in a position to encourage employees to participate in the Company by granting them shares. The granting of shares to employees serves to integrate such employees, increases their willingness to accept co-responsibility, and retains members of the workforce. The granting of shares to employees is therefore in the interest of the Company and its shareholders. It is deemed desirable by the legislators and is facilitated in multiple ways by the law. Under the proposed authorization, the potential beneficiaries should not be limited to employees of Evonik Industries AG and subordinated affiliated companies but should also include members of the management of subordinated affiliated companies. These executives have a material influence on the development of the Evonik Group and Evonik Industries AG. Consequently, it is important to be able to give them a strong incentive for sustained value creation and to strengthen their identification and loyalty to the companies in the Evonik Group. In particular, Evonik Industries AG should also be able to create variable remuneration components with a long-term incentive effect for certain Group executives and for certain other groups of employees or all employees.

By providing scope to offer or grant shares to employees of Evonik Industries AG and subordinated affiliated companies, and to members of the management of subordinated affiliated companies, it is possible, for example, to create variable remuneration components with a long-term incentive effect which take account of negative as well as positive developments. By granting shares with a multiyear lock-up period, it is possible to create not just a bonus effect, but also a genuine penalty effect in the event of negative developments. Therefore, this is an instrument that can result in the assumption of greater shared economic co-responsibility, in the interest of the Company and its shareholders. Shares can also be offered, promised or transferred free or on other preferential terms.

As well as granting shares directly to employees of Evonik Industries AG and subordinated affiliated companies and to members of the management of subordinated affiliated companies, it should also be possible for the shares to be assumed by another company or any other third party that meets the requirements of Section 186 Paragraph 5 Sentence 1 AktG with an obligation to offer them for purchase, or promise or transfer them exclusively to the aforementioned beneficiaries. The granting of shares to employees of Evonik Industries AG and subordinated affiliated companies and/or to members of the management of subordinated affiliated companies would then take place through the intermediary of the Company that assumes the shares. Through this procedure, handling can be facilitated, for example, by transferring it as far as possible to a bank.

Further, it should be possible to obtain the shares to be transferred to employees of Evonik Industries AG and subordinated affiliated companies and to members of the management of subordinated affiliated companies through a securities loan from another company or any other third party that meets the requirements of Section 186 Paragraph 5 Sentence 1 AktG and to use the repurchased shares to repay the securities loan. Obtaining shares through a securities loan can also simplify processing. In particular, it allows the repurchase of exactly the number of shares required to grant shares to employees of Evonik Industries AG and subordinated affiliated companies and to members of the management of subordinated affiliated companies at a given point in time. Therefore, it should not only be possible to use the shares obtained through the proposed authorization to grant them

to employees of Evonik Industries AG and its subordinated affiliated companies and to members of the management of subordinated affiliated companies, but also to use them to fulfill the claims of lenders to the repayment of loans. The economic effect of this is that the shares are used to grant shares to employees of Evonik Industries AG and subordinated affiliated companies and to members of the management of subordinated affiliated companies.

In 2020, as before in the years since 2017, Evonik Industries AG has set up an employee share program, under which—as specified in the terms of the respective plan—employees of Evonik Industries AG and subordinated affiliated companies, and members of the management of subordinated affiliated companies, are entitled to acquire shares in Evonik Industries AG. Certain employees of Evonik Industries AG and subordinated affiliated companies with registered offices in Germany, Belgium, China, Singapore and the USA were eligible to participate in the previous employee share programs, i.e. in 2017, 2018 and 2019. The employee share programs in 2017, 2018 and 2019 enabled every eligible employee to purchase shares in Evonik at a purchase price based on the stock exchange price on a certain date, which was €30.34 in 2017, €28.24 in 2018 and €25.53 in 2019. To participate in one of the programs, employees had to purchase at least two shares in Evonik, while the investment was capped at an upper limit of €4,000.00 (or a corresponding amount in Renminbi, Singapore dollars or US dollars). In addition, every participant in the employee share program in Germany, Belgium, China, Singapore and the USA was granted free shares in Evonik up to a maximum value of €360.00, depending on the level of their personal investment. Up to a personal investment of up to €720.00 every participating employee was granted, for every two shares purchased, an free share up to a maximum value of €360.00. Both the Evonik shares purchased and the free shares granted are subject to a lock-up period until the end of the next-but-one year following the calendar year in which the shares were purchased. On the basis of the employee share programs conducted in 2017, 2018 and 2019, employees have so far been granted a total number of 1.739.094 shares in the Company (purchased and free shares). It is expected that the same conditions as in 2019 will be used for the program in 2020. Based on the experience of the already executed programs, it is expected that approximately 621,000 shares (purchased and free shares) will be granted. In order to be able to issue, offer or transfer shares in the Company to employees as employee shares or to members of the management of subordinated affiliated companies, it is necessary to exclude shareholders' subscription rights. Otherwise, the associated advantages for the Company and its shareholders could not be achieved.

Regardless of the authorization in clause cd) of the authorization, it is possible to buy back shares on the basis of Section 71 Paragraph 1 No. 2 AktG without the authorization of the Shareholders' Meeting, and to offer the shares repurchased for subscription by employees of Evonik Industries AG and subordinated affiliated companies (but not to members of the Executive Board of Evonik Industries AG or members of the management of subordinated affiliated companies). Nevertheless, the Annual Shareholders' Meeting is to be involved in the decision on the distribution of shares to employees. The authorization will also give Evonik Industries AG greater flexibility and, where appropriate, the ability to respond more quickly to constantly changing markets. The Authorized

Capital 2018 adopted under item 8 of the agenda for the Annual Shareholders' Meeting on May 23, 2018 can also be used to issue employee shares. However, the Company should be given the possibility, following repurchase of its own shares, to achieve this purchase in suitable cases without executing a capital increase—which would be more time-consuming and possibly more expensive due to the requirements for entry in the commercial register.

Re clause ce) of the authorization

Further, shareholders' subscription rights should be excluded insofar as the Executive Board uses, subject to approval of the Supervisory Board, the shares in Evonik Industries AG repurchased to offer and/or grant third parties shares in connection with mergers or in the context of the acquisition of companies, business operations or equity investments in companies, including increasing equity existing investments, or other depositable assets in connection with the merger or acquisition, including third party receivables against the Company or its subordinated affiliated companies within the meaning of Section 18 AktG.

Evonik Industries AG is exposed to national and global competition. It must therefore be in a position at all times to act quickly and flexibly on national and international markets. That includes the possibility of mergers with other companies, or the acquisition of other companies, business operations or equity investments to improve its competitive position. This includes, in particular, increasing its investment in Group companies.

The interests of the shareholders and the Company in optimal implementation of such possibilities may include, in individual cases, a merger or the acquisition of companies, business operations or equity investments in companies through the granting of shares in the acquiring company. Moreover, customary practice shows that both on international and on national markets the granting of shares in the acquiring company is often required as consideration for attractive acquisition targets. For this reason, Evonik Industries AG must have the possibility of offering and/or granting shares as consideration in the context of mergers or the acquisition of companies, business operations or equity investments in companies.

The proposed resolution also explicitly provides for the possibility that own shares repurchased under exclusion of subscription rights can be offered and/or granted in the context of the acquisition of depositable assets in connection with the acquisition of companies, business operations or equity investments in companies. In acquisition plans, it may make economic sense to acquire further assets alongside the actual acquisition target, for example, assets that economically serve the acquisition target. This applies in particular if a company to be acquired is not the owner of commercial rights of protection or intangible assets related to its business operations. In these and comparable cases, Evonik Industries AG must be able to acquire the economic assets connected to the acquisition plan and—for example, if the seller so requires—grant shares as the consideration. The precondition under the proposed authorization is that the assets concerned would be depositable in the event of a capital increase in kind.

The Executive Board should be authorized, in particular, to offer and/or grant shares in Evonik Industries AG, under exclusion of subscription rights, to the holders of receivables from Evonik Industries AG or its subordinated affiliated companies within the meaning of Section 18 AktG—whether or not they are securitized—which were established in connection with the acquisition of companies, business operations or equity investments in companies, in full or in part in place of payment in cash. This gives the Company additional flexibility, so that in cases in which it has initially given an undertaking to pay cash for the acquisition of a company or equity investment, it could subsequently grant shares instead of cash and thus reduce pressure on liquidity. In individual cases, this procedure may be more advantageous than financing the purchase price by first selling the shares repurchased via the stock exchange, in which case negative price effects are conceivable.

The Authorized Capital 2018 approved under item 8 of the agenda for the Annual Shareholders' Meeting on May 23, 2018 may also be used to grant shares in connection with mergers or in the context of the acquisition of companies, business operations or equity investments in companies, including increasing existing equity investments, or other depositable assets in connection with the merger or acquisition, including third party receivables against the Company or its subordinated affiliated companies within the meaning of Section 18 AktG. However, the possibility of using own shares repurchased as an acquisition currency should also be permitted. The proposed authorization is intended to give Evonik Industries AG the necessary scope for flexible use of opportunities that arise for mergers or in the context of the acquisition of companies, business operations or equity investments in companies, including increasing existing equity investments, or other depositable assets in connection with such a merger or acquisition, including third party receivables against the Company or its subordinated affiliated companies within the meaning of Section 18 AktG and thus to grant shares as consideration in appropriate cases, without executing a capital increase which could be more time-consuming and possibly more expensive due to the requirements for registration in the commercial register.

To enable the necessary fast and flexible conclusion of such transactions, the Executive Board needs to be able to grant shares in the Company under exclusion of the subscription rights of shareholders. The Executive Board shall, however, be required to obtain the approval of the Supervisory Board. If subscription rights are granted, it would not be possible to use the repurchased shares for mergers and the acquisition of companies, business operations or equity investments in companies or other depositable assets in connection with a proposed acquisition of this kind, so the associated advantages for the Company and its shareholders could not be obtained.

There are currently no concrete plans to use this authorization. If opportunities for mergers or to acquire companies, business operations or equity investments in companies arise or if there is an opportunity to acquire depositable assets in connection with a proposed acquisition of this type, the Executive Board will examine in each case whether it should make use of the possibility of using own shares under the exclusion of subscription rights. It will only use this authorization if it is con-

vinced that the merger or acquisition in return for granting shares in Evonik Industries AG is in the Company's best interest. Insofar, the Executive Board will also carefully examine and convince itself that there is an appropriate relationship between the value of the contribution in kind and the value of the shares.

Re clause cf) of the authorization

Shareholders' subscription rights shall also be excluded if the Executive Board uses repurchased shares in Evonik Industries AG, subject to the approval of the Supervisory Board, to list shares in the Company on domestic or foreign stock exchanges where it is not currently listed—where applicable jointly with one or more shareholders. Evonik Industries AG is exposed to strong competition on the international capital markets. Adequate equity capital and scope to maintain appropriate equity conditions on the market at all times are of overriding importance for the future development of the Company. Consequently, Evonik Industries AG endeavors to broaden its shareholder base in Germany and abroad and to make investment in its shares attractive. Evonik Industries AG needs the possibility to gain access to the world's large capital markets. The price at which repurchased own shares may be listed on domestic or foreign stock exchanges may not, in any circumstances, be more than 5 percent below the last price determined in the closing auction in XETRA trading on the Frankfurt Stock Exchange, or an electronic trading platform that has replaced it, prior to the day of the stock exchange listing. This is derived from clause g) of the authorization.

Re clause cg) of the authorization

The Executive Board should be authorized, subject to the approval of the Supervisory Board, to use the shares repurchased to execute a so-called scrip dividend, where the shareholder's claim to a dividend is used in full or in part to acquire shares. Depending on the capital market situation, it may be preferable to conduct a scrip dividend using own shares whereby the Executive Board offers all shareholders who are eligible for a dividend the opportunity to acquire shares in the Company in return for renouncing their claim to a dividend, taking into account the general principle of equal treatment (Section 53a AktG), thereby granting all shareholders an economic subscription right while excluding subscription rights for the new shares. Excluding subscription rights allows execution of a scrip dividend on more flexible terms. Given that all shareholders would be offered shares in the Company and excess dividend amounts would be settled through payment of a cash dividend, the exclusion of subscription rights in this case appears legitimate and reasonable.

The Authorized Capital 2018 approved under item 8 of the agenda for the Annual Shareholders' Meeting on May 23, 2018 can also be used for execution of a scrip dividend. However, the Company should also be given the possibility that, in appropriate cases, following a repurchase of own shares, it could use its own shares for this purpose without conducting a capital increase, which would be more time-consuming and possibly more expensive due to the requirements for registration in the commercial register.

Re clause ch) of the authorization

Further, it should also be possible to use the shares repurchased to fulfill option and/or conversion rights or obligations arising from warrant bonds and/or convertible bonds issued by the Company on the basis of the authorization under item 9 clause b) of the agenda for the Annual Shareholders' Meeting on May 23, 2018, either directly or through a subordinated Group company within the meaning of Section 18 AktG in which the Company holds at least 90 percent of the voting rights and the capital. To fulfill the rights arising from these warrant bonds and/or convertible bonds to acquire shares in the Company, it may be expedient to use own shares in full or in part, instead of a capital increase; insofar, this is a suitable means of countering the dilution of the capital holdings and voting rights of shareholders which would occur to a certain extent if these rights were fulfilled with newly issued shares. The authorization therefore provides for corresponding use of own shares. Therefore, the subscription rights of shareholders should also be excluded.

The resolution adopted under item 9 clause b) of the agenda for the Annual Shareholders' Meeting on May 23, 2018 can also be viewed as part of the notarized minutes of this Annual Shareholders' Meeting at the commercial register in Essen (Germany). It is also contained in the invitation to the Annual Shareholders' Meeting of May 23, 2018, which is published in the Federal Gazette (Bundesanzeiger) on April 10, 2018 (as corrected on April 16, 2018). The full wording of the authorization resolution is also accessible in the archive on the internet at

www.evonik.com/annual-shareholders-meeting,

and will be available for consultation at the Annual Shareholders' Meeting.

Re clause d) of the authorization

In addition, the Supervisory Board should be authorized to use own shares repurchased to fulfill the rights of members of the Executive Board to receive shares in Evonik Industries AG that the Supervisory Board has granted to these members as part of the arrangement governing the remuneration of the Executive Board.

Granting shares to members of the Executive Board can increase their loyalty to the Company. At the same time, it is possible in this way to create variable remuneration components where the payment of a royalty takes place not in cash but in shares, which are, however, subject to a lock-up period during which the sale of the shares by the respective member of the Executive Board is prohibited. Through such or comparable rulings, account can be taken of the goal of appropriate remuneration of the Executive Board in accordance with Section 87 Paragraph 1 AktG and the recommendation in Section G.10 of the German Corporate Governance Code 2020. By granting shares with a multiyear lock-up period or comparable conditions, in addition to a bonus, a genuine penalty effect can be achieved in the event of adverse developments. Accordingly, this is an instrument that can result in the assumption of greater shared economic co-responsibility by members of the Executive Board in the interest of the Company and its shareholders.

Re clause e) Sentence 2 of the authorization

Further, in the event of an offer for sale of own shares made to all shareholders, the Executive Board should be authorized, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights for fractional amounts. The authorization to exclude subscription rights for fractional amounts serves to ensure a technically feasible subscription ratio. The fractional amounts of own shares resulting from the exclusion of shareholders' subscription rights may be utilized in the best way for the Company through sale on the stock exchange or in another manner. The potential dilution effect is low as it is limited to fractional amounts.

Concluding remark

Having considered all the circumstances outlined, the Executive Board and Supervisory Board consider that the exclusion of subscription rights in the cases stated is justified and appropriate with regard to shareholders for the reasons given, even taking into account the possible dilution effects of use of the related authorizations. The Executive Board will report to the Shareholders' Meeting on details of the utilization of the authorization to acquire shares in the Company.

7. Resolution approving the remuneration system for members of the Executive Board

According to Section 120a Paragraph 1 AktG, the Annual Shareholders' Meeting of a listed company decides at least every four years on the approval of the remuneration system for the members of the Executive Board submitted by the Supervisory Board, as well as on any significant change to the remuneration system. This provision was newly inserted into the German Stock Corporation Act (AktG) by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) and, pursuant to Section 26j Paragraph 1 Sentence 1 of the Introductory Act to the Stock Corporation Act (EgAktG), must be observed at the latest for the holding of Annual Shareholders' Meetings that take place after 31 December 2020. However, the Annual Shareholders' Meeting may already pass resolutions pursuant to Section 120a Paragraph 1 AktG in 2020 without further ado. As the Supervisory Board adjusted the remuneration system for the members of the Executive Board in its meeting on December 11, 2019, taking into account Section 87a (1) AktG, it is planned to adopt the resolution pursuant to Section 120a Paragraph 1 AktG already this year. The remuneration system for the members of the Executive Board is presented below and can be downloaded from the Internet at

www.evonik.com/annual-shareholders-meeting.

The Supervisory Board proposes, based on a corresponding recommendation of the Executive Committee, that a resolution be passed:

The remuneration system for the members of the Executive Board is approved.

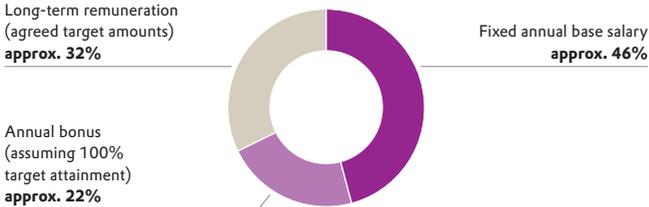
Remuneration system for the Executive Board

Principles and objectives

The remuneration system for the Executive Board is designed to ensure that members receive appropriate remuneration for their tasks and responsibilities, and to take direct account of the performance of each member of the Executive Board and of the company. The structure of the remuneration system for the members of the Executive Board of Evonik Industries AG is geared to sustained value creation and performance-oriented management of the company. It comprises a fixed monthly base salary, which takes account of the tasks and services performed by the respective member, a variable short-term component comprising an annual bonus, which is dependent on the attainment of the company's annual performance targets, and a long-term component linked directly to the increase in the value of the company as an incentive for sustained commitment to the company. The targets for the short- and long-term variable remuneration components are derived from the corporate strategy of Evonik Industries AG. In addition, the customary fringe benefits are granted. Overall, the remuneration supports the long-term development of the company.

The next chart shows the breakdown of the remuneration components in 2019. The benefits in kind and other fringe benefits and company pension provision (IFRS service cost) are included in included in the fixed annual base salary on the basis of the 2018 values:

Structure of remuneration of members of the executive board



Performance-unrelated components

Fixed annual base salary

The fixed annual base salary is a cash payment for the fiscal year. It takes account of the scope of responsibility of each Executive Board member and is paid out in twelve equal installments.

Benefits in kind and other fringe benefits

As benefits in kind and other fringe benefits, members of the Executive Board receive a company car with a driver, the installation of telecommunications equipment, and an entitlement to an annual medical check-up. Executive Board members may receive a rent subsidy if performance of their duties requires them to rent a second apartment.

Further, members of the Executive Board may receive additional remuneration for offices they hold in the interests of the company. Apart from fees for the attendance of meetings, insofar as such fees are paid to Executive Board members, they are deducted from their annual bonus or paid over to the company.

Performance-related components

Short-term variable remuneration

The performance-related annual bonus is dependent on the attainment of business targets measured by performance indicators (bonus factor) and the attainment of individual objectives (performance factor). The bonus factor and performance factor are multiplied. The level of the bonus factor depends on the achievement of the agreed business targets and may be between 0 and 200 percent. The adjusted EBITDA margin, adjusted EBITDA, and free cash flow are defined as business targets. All parameters are measured against the long-term strategic objectives for the company, based on the actual results in the calendar year. The development of plant safety and accident frequency, and the severity of accidents in the fiscal year are also taken into account.

The performance factor rewards the attainment of the qualitative targets and can vary between 80 percent and 120 percent. The reference indicators are aligned to the performance objectives for the Executive Board and normally have a multiyear context within the target-setting framework, taking into consideration targets in areas such as strategy/portfolio, the efficiency of cost structures, and corporate culture.

If the qualitative and business objectives are achieved in full, the contractually agreed target bonus is paid. If the company's income falls short of the planned level, the bonus factor may—in the extreme case—be zero, regardless of personal attainment. In other words, it is conceivable that a bonus might not be paid for a specific year. The bonus is capped at 200 percent of the target bonus.

The business and qualitative targets set for Executive Board members for the bonus and performance factors are agreed in writing at the start of each fiscal year between the Supervisory Board and each member of the Executive Board and the level of attainment is determined by the Supervisory Board after the end of the year.

Long-term variable remuneration (LTI plans)

The members of the Executive Board receive long-term variable remuneration in the form of long-term incentive (LTI) plans. The general reference base for long-term remuneration is a sustained rise in the value of the company.

Performance is measured by the absolute performance of Evonik's share price and its performance relative to the MSCI World Chemicals IndexSM.

Based on the contractually agreed target amount, which is defined in euros, a number of virtual shares is calculated using the share price at the start of the performance period. This is based on the price in the last 60 trading days before the start of performance period. The performance period starts on January 1 of the grant year and runs for four years. At the end of the performance period, the starting price of Evonik shares is viewed against the average share price at the end of the performance period, plus any dividends per share actually paid in this period. This is compared with the performance of the benchmark index (total shareholder return). Eligible participants are informed of the outcome after the end of the performance period. They can then opt to accept the payment calculated or to extend the performance period on a one-off basis for a further year. In this case, a renewed calculation is performed at the end of the extended performance period.

From 2019, the intrinsic value of the LTI is measured at the end of each year in the four-year performance period by comparing the starting price of Evonik shares with the average price of the shares plus the dividends per share actually paid during the performance period. This is then compared with the performance of the benchmark index (total shareholder return). There is no longer an option to extend the performance period.

The relative performance may be between 70 and 130 percentage points. If the relative performance is below 70 percentage points, the relative performance factor is deemed to be zero. If the relative performance is above 130 percentage points, the relative performance is set at 130 percent.

The payment is calculated by multiplying the relative performance by the number of virtual shares allocated and the average price of Evonik shares at the end of the performance period. From 2019, the overall performance, and thus the amount to be paid at the end of the performance period, is calculated as an average of the performance in each year.

The upper limit for these payments is set at 300 percent of the individual target amount.

Company pension plan

A defined contribution system has been introduced as the standard pension plan. This is a capital-based system funded by provisions. The company credits a fixed annual amount to the pension account of each Executive Board member. This is 15 percent of their target remuneration, i.e., the fixed annual base salary and target bonus (variable short-term remuneration assuming 100 percent target attainment). The guaranteed annual return is 5 percent. The pension benefit comprises the amount that has accrued on the account, i.e., contributions credited to the account plus accumulated interest. In the event of death or disability, the amount that would be available on the account on the member's 55th birthday, including projected contributions and interest, is calculated. Payment normally comprises a lifelong pension. Alternatively, Executive Board members may opt for disbursement of part of the capital (maximum 50 percent) in six to ten installments. Where Executive Board members accrued pension entitlements prior to their appointment to the Executive Board, these are either integrated into the system as an initial contribution or continue to be managed separately. If a member's contract as a member of the Executive Board ends before benefits are payable, no further contributions are credited to the account. However, it continues to earn interest at the common market interest rate based on the average return earned by major German life insurers (at least 2.25 percent p.a.) until benefits are claimed.

Members of the Executive Board are entitled to pension benefits after they leave the company if they leave on or after reaching the individually agreed retirement age or if they leave as a result of permanent incapacity to work. In addition, Mr. Kullmann and Mr. Wessel can claim pension benefits from the date of premature termination or non-extension of their Executive Board contracts, providing they do not give due cause for such termination. This claim also relates to pension entitlements they accrued prior to their appointment to the Executive Board.

An arrangement that differs from the pension system has been agreed with Dr. Harald Schwager. He has been given a commitment that he will receive a lifelong pension of €40 thousand p.a. for each full year of service, and a pro rata amount for each partial year of service.

Determination of maximum remuneration

The maximum remuneration of members of the Executive Board is defined as follows and is based on the maximum possible performance-related and performance-unrelated remuneration components, including service cost for the company pension plan:

Chairman of the Executive Board:	€9,700 thousand
Deputy chairman:	€7,200 thousand
Chief human resources officer:	€5,200 thousand
Chief financial officer:	€5,200 thousand

Explanation of the how remuneration is determined

The remuneration is reviewed regularly by the Supervisory Board, where appropriate on the basis of remuneration reports from independent consultants. These reviews examine the structure and level of remuneration of the Executive Board, particularly in comparison with the external market, and also in relation to remuneration elsewhere in the company. The external comparison uses peer groups comprising, on the one hand, comparable companies in the chemicals sector, and on the other hand, and companies listed on the MDAX/DAX indices. The assessment of the appropriateness of the remuneration compared with remuneration elsewhere in the company starts by determining the average remuneration at the first management level below the Executive Board and the remuneration of the workforce as a whole. This is then compared with the peer group described above and includes the development of remuneration over time. The Supervisory Board defines the senior management level and relevant workforce and how the remuneration is assessed in relation to these groups. If this reveals a need to adjust the remuneration system, or the level or structure of remuneration, the executive committee of the Supervisory Board submits a corresponding proposal to the full Supervisory Board for a decision. If the Supervisory Board involves an external remuneration expert, it makes sure the expert is independent. The last external review of the appropriateness of the remuneration system was in 2017.

The remuneration system for the Management Board is presented to the Annual Shareholders' Meeting in the event of a material change and in any case every four years. In the past, there have been no conflicts of interest on the part of individual Supervisory Board members in connection with decisions on the remuneration system for the Executive Board. If such a conflict of interest should arise in the determination, implementation and review of the remuneration system, the Supervisory Board will treat it in the same way as any other conflict of interest in the person of a Supervisory Board member, so that the Supervisory Board member concerned will not participate in the resolution or, in the event of a more serious conflict of interest, in the discussion. Should a permanent and insoluble conflict of interest arise, the Supervisory Board member concerned will resign from office. Early disclosure of any conflicts of interest ensures that the decisions of the Supervisory Board and the Executive Committee are not influenced by improper considerations.

Term of employment contracts and periods of notice

The respective service contracts are concluded for a limited period of time and expire at the end of this period without a separate period of notice. The employment contracts are also linked to the appointment of a member of the Executive Board and end, without the need for a special declaration to this effect by one of the contracting parties, if the appointment of a member of the Executive Board also ends.

The current employment contracts and the appointment to the Management Board are as follows:

Kullmann, Christian	until 23.05.2022
Schwager, Harald	until 31.08.2022
Wessel, Thomas	until 31.08.2021
Wolf, Ute	until 30.09.2023

Cap on termination benefits in the event of premature termination of term of office

In conformance with the German Corporate Governance Code, the employment contracts with all members of the Executive Board provide for a cap on termination benefits. If a member's term of office is prematurely terminated, payments may not exceed two years' remuneration, including variable remuneration components. In no case is remuneration payable for periods beyond the remaining term of the contract. The contracts specify that no termination benefits are payable if an Executive Board member's contract is terminated for reasons for which he or she is responsible. The cap on termination benefits is based on total remuneration including fringe benefits in the previous fiscal year and, where appropriate, the anticipated total remuneration for the current fiscal year.

Post-contractual non-compete agreements

Post-contractual non-compete agreements are not included in the remuneration system.

Claw-back clause

In case a member of the Executive Board commits a serious breach of his or her statutory duties or internal rules of conduct, future contracts with members of the Executive Board will introduce a contractual clause providing for the reimbursement or offsetting, in full or in part, of any variable remuneration components paid to the member of the Executive Board for the performance period in question (claw-back clause).

Glossary

Financial- and economic terms

- **Adjusted EBITDA**
Earnings before financial result, taxes, depreciation, and amortization, after adjustments. Earnings indicator showing Evonik's operating earnings performance irrespective of the structure of its assets and its investment profile. This is a cash flow-related indicator, which is used in particular in the adjusted EBITDA margin to show the relationship to sales as a basis for comparison with competitors.
- **Adjustments**
Evonik refers to the special items that are factored out when calculating the operational performance indicators adjusted EBITDA and adjusted EBIT as adjustments. They include restructuring, impairment losses/reversals of impairment losses, income and expenses in connection with the purchase/disposal of investments in companies, and other income and expense items that, due to their nature or amount, do not reflect the typical operating business.
- **Free cash flow**
The free cash flow is a measure of the company's internal financing capacity. The free cash flow is calculated from the cash flow from operating activities, continuing operations, less outflows for capital expenditures on intangible assets, property, plant, and equipment.

8. Resolution approving the remuneration system for members of the Supervisory Board

Pursuant to Section 113 Paragraph 3 AktG, a resolution on the remuneration of Supervisory Board members must be passed at least every four years in the case of listed companies. This provision has been revised by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) and, pursuant to Section 26j paragraph 1 Sentence 1 of the Introductory Act to the Stock Corporation Act (EGAktG), must be observed at the latest for the holding of Annual Shareholders' Meetings that take place after December 31, 2020. However, the Annual Shareholders' Meeting may already pass resolutions pursuant to Section 113 Paragraph 3 AktG in 2020 without further ado. The remuneration system for the members of the Supervisory Board is shown below and is available at the Internet address

www.evonik.com/annual-shareholders-meeting.

The Executive Board and the Supervisory Board propose that a resolution be passed:

The remuneration system for the members of the Supervisory Board is approved.

Remuneration system for the Supervisory Board

The remuneration of the Supervisory Board is governed by Section 15 of the Articles of Incorporation of Evonik Industries AG.

The remuneration system takes account of the responsibilities and scope of activities of the members of the Supervisory Board. Given its duty to oversee the Executive Board in its management of the business, the Supervisory Board makes a contribution to promoting the business strategy and to the long-term development of the company. In addition to reimbursement of their expenses and value-added tax payable on their remuneration and expenses, the members of the Supervisory Board receive a fixed annual payment. Their remuneration does not include a variable component. In view of the special nature of the remuneration of the Supervisory Board, which is granted for activities that differ fundamentally from the work of employees of the company and of the Evonik Group, it is not possible to conduct a comparison with the remuneration of the workforce.

The remuneration system for the Supervisory Board is regularly reviewed by the administration. In particular, the time taken up by members of the Supervisory Board and the Supervisory Board remuneration granted by other, comparable companies are decisive in this respect. If the Executive Board and the Supervisory Board see reason to change the remuneration system, they will submit a modified remuneration system and a proposal for a corresponding modification of Article 15 of the Articles of Association of Evonik Industries AG to the Annual Shareholders' Meeting; in any case, the remuneration system for the Supervisory Board will be presented to the Annual Shareholders' Meeting every four years. In the past, there have been no conflicts of interest on the part of individual members of the Executive Board or the Supervisory Board with regard to the remuneration system for the Supervisory Board. Should such a conflict of interest arise during the review of the

remuneration system, the Executive Board or the Supervisory Board will treat it in the same way as any other conflict of interest involving a member of a governing body, so that the member of the governing body in question will not participate in the resolution or, in the event of a more serious conflict of interest, in the discussion. Should a permanent and insoluble conflict of interest arise, the Board member concerned will resign from office. Early disclosure of any conflicts of interest ensures that the decisions of the Executive Board and Supervisory Board are not influenced by improper considerations.

Different levels of fixed annual remuneration are paid to the chairman (€250 thousand), his deputy (€175 thousand), and other members of the Supervisory Board (€100 thousand).

The chairman of the executive committee receives additional remuneration of €60 thousand, the deputy chairwoman €45 thousand, and the other members €35 thousand each. The chairman of the audit committee receives additional remuneration of €90 thousand, the deputy chairwoman €60 thousand, and the other members €50 thousand each. The chairman of the finance and investment committee receives additional remuneration of €60 thousand, the deputy chairman €45 thousand, and the other members €35 thousand each. The chairwoman of the innovation and research committee receives additional remuneration of €30 thousand, the deputy chairman €20 thousand, and the other members €15 thousand each. The chairmen of the nomination committee and the mediation committee receive additional remuneration of €20 thousand each, the deputy chairpersons receive €10 thousand each, and the other members €10 thousand each. Entitlement to the additional remuneration for work on the mediation committee only applies if the committee is actually convened during the fiscal year.

Further, members of the Supervisory Board receive a fee of €1 thousand for each meeting of the Supervisory Board and its committees that they attend. If several meetings are held on the same day, this fee is only paid once.

Members who only serve on the Supervisory Board for part of a fiscal year receive remuneration on a pro rata basis. This also applies for increases in the remuneration of the chairman of the Supervisory Board and his deputy and any increased remuneration paid for membership of or chairing a committee.

II. Further information and details of the Annual Shareholders' Meeting

1. Annual Shareholders' Meeting without physical presence of shareholders

In accordance with Section 1 Paragraph 1, 2 of the German Act on Measures in Corporate, Cooperative, Association, Foundation and Residential Property Law to combat the effects of the COVID-19 pandemic (COVID-19 Act), the Executive Board has decided with the consent of the Supervisory Board that the Annual Shareholders' Meeting will be held as a virtual meeting without the physical presence of the shareholders or their proxies (with the exception of the proxies designated by the Company) and that the shareholders cast their votes in the Annual Shareholders' Meeting, in particular by means of electronic communication. The Annual Shareholders' Meeting is held in the physical presence of the Chairman of the Meeting and members of the Executive Board, the proxies designated by the Company and further members of the Supervisory Board and a notary public instructed to keep the record of the Annual Shareholders' Meeting at the administrative headquarters of Evonik Industries AG, Rellinghauser Strasse 1-11, 45128 Essen (Building 5, Main Hall).

The holding of the Annual Shareholders' Meeting 2020 as a virtual shareholders' meeting in accordance with the COVID-19 Act will lead to modifications to procedures of the Annual Shareholders' Meeting and in the rights of the shareholders. A live video and audio transmission of the entire Annual Shareholders' Meeting will be provided to shareholders via our password-protected **Online-Service** at

www.evonik.com/annual-shareholders-meeting.

The speeches of the Chairman of the Supervisory Board and the Chairman of the Executive Board at the Shareholders' Meeting on August 31, 2020 from about 10:00 a.m. (CEST) will be broadcast live on the Internet at www.evonik.com/annual-shareholders-meeting. They will also be available as a recording after the Annual Shareholders' Meeting at the above Internet address.

Shareholders may also exercise their voting rights via electronic communication (postal vote) and by issuing a proxy. Shareholders will be given the opportunity to ask questions by electronic communication and shareholders who have exercised their voting rights can object to resolutions of the Annual Shareholders' Meeting by means of electronic communication.

This year, we ask shareholders to pay particular attention to the following information regarding registration for the Annual Shareholders' Meeting, the exercise of voting rights and other shareholder rights.

2. Conditions for the exercise of voting rights

In accordance with Section 18 Paragraph 1 of the Articles of Incorporation, shareholders are entitled to attend the Annual Shareholders' Meeting and exercise their voting rights at the Annual Shareholders' Meeting provided that they are registered in the share register and have submitted an application to the Company to attend the Meeting by the deadline, which is

12.00 midnight (CEST) on Monday, August 24, 2020 at the latest

in text form (Section 126b German Civil Code/Bürgerliches Gesetzbuch – "BGB") in German or English at the following address

Evonik Industries AG
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg
Germany
Fax: +49 89 207037951
Email: hv-service.evonik@adeus.de

or via the password-protected **Online-Service** at

www.evonik.com/asm-services

using the procedure provided for this purpose. The date of receipt of the application shall determine whether this deadline is met.

To submit an application to attend the Meeting via the password-protected Online-Service, the shareholder number and a personal access password are required. Those shareholders who have already registered for email dissemination of the invitation to the Annual Shareholders' Meeting will receive their shareholder number with the invitation to the Annual Shareholders' Meeting and must use the access password they chose when they registered. All other shareholders will receive their access password with their invitation to the Annual Shareholders' Meeting provided that they are registered in the share register before the start of Monday, August 17, 2020. The procedure for applying to attend via the password-protected Online-Service requires that the shareholder is registered in the share register prior to the start of Monday, August 17, 2020. The password-protected Online-Service will be available from Thursday, August 6, 2020. Further information on the procedure for applying to attend the Meeting via the password-protected Online-Service can be found at the above internet address.

Under Section 67 Paragraph 2 Sentence 1 AktG, only those shareholders registered as such in the share register shall be deemed vis-à-vis the Company to be shareholders. Further, the exercise voting rights is subject to the shareholder still being registered as such in the share register on the date of the Annual Shareholders' Meeting. The number of voting rights that a person may exercise shall be

determined by the number of shares registered in the share register on the day of the Annual Shareholders' Meeting. For administrative reasons, however, no transfer may be effected in the share register between Tuesday, August 25, 2020 and the day of the Annual Shareholders' Meeting, i.e. Monday, August 31, 2020 (inclusive in each case). Therefore, the status of entries in the share register on the day of the Annual Shareholders' Meeting will be the status of the last transfer on Monday, August 24, 2020 (referred to as the technical record date).

Intermediaries as well as shareholders' associations, proxy advisors within the meaning of Section 134a Paragraph 1 No. 3, Paragraph 2 No. 3 AktG as well as other persons with equivalent status in accordance with section 135 Paragraph 8 AktG may only exercise voting rights pertaining to registered shares which they do not own but in respect of which they are entered in the share register as the bearer if they have been granted appropriate authorization. Details of such authorization are set forth in Section 135 AktG. According to Section 67a Paragraph 4 AktG, an intermediary is a person who provides services for the administration or management of securities or the maintenance of securities accounts for shareholders or other persons if the services are related to shares of companies which have their registered office in a member state of the European Union or in another state which is a party to the Agreement on the European Economic Area. Accordingly, the term intermediary includes in particular credit institutions within the meaning of Art. 4 Paragraph 1 No. 1 of the so-called Capital Adequacy Regulation (Regulation (EU) No. 575/2013).

3. Proxy voting procedure

a) Option to vote by proxies, forms

Shareholders may arrange for their voting rights to be exercised by a proxy, for example, as an intermediary especially a bank, shareholders' association, proxy advisor within the meaning of Section 134a Paragraph 1 No. 3, Paragraph 2 No. 3 AktG, voting proxies designated by the Company or another person of their choice. Correct application to attend the Annual Shareholders' Meeting (see Section 2 above (Conditions for the exercise of voting rights)) is also necessary in such cases. Proxy authorization may be granted either before or during the Annual Shareholders' Meeting and can be granted before applying to attend. Proxy authorization may be granted by making a declaration to the proxy or the Company.

Insofar as no restrictions or other constraints are imposed by law, the person granting the proxy authorization, or the proxy may exercise voting rights in the same way as the shareholder would be able to.

Neither the law nor the Articles of Incorporation nor the Company requires the use of a specific form to grant proxy authorization. However, in the interest of smooth processing, we ask that you always use the forms provided to grant proxy authorization if such authorization is to be granted by submitting a declaration vis-à-vis the Company. Forms that shareholders can use to grant a proxy authorization as part of the procedure for applying to attend the Annual Shareholders' Meeting are made accessible with submission of the invitation to the Annual Shareholders' Meeting, i.e. share-

holders are given access to an application form and a proxy authorization form. These can be used in accordance with sections b) and d) below, in particular, to issue voting instructions to the voting proxies designated by the Company. The password-protected Online-Service includes (screen) forms which can be used, among other things, to grant power of attorney and, if necessary, also issue instructions to the proxies appointed by the Company within the scope of the following letters b) and d) already at the time of registration, but also at a later date in the cases provided there. In addition, a form is available on the internet which can be used to grant power of attorney and, if necessary, issue instructions (see Section 7 below).

b) Form of proxy authorization

The following shall apply if the granting of a proxy authorization does not fall within the scope of Section 135 AktG (i.e. if the power of attorney is not granted to (i) an intermediary, (ii) a shareholders' association, (iii) a proxy advisor within the meaning of Section 134a Paragraph 1 No. 3, Paragraph 2 No. 3 AktG or (iv) a person with equivalent status in accordance with Section 135 Paragraph 8 AktG and the granting of the power of attorney is not otherwise subject to the scope of application of Section 135 AktG): In accordance with Section 134 Paragraph 3 Sentence 3 AktG, the granting and revocation of proxy authorization, and the submission of evidence of authorization to the Company must be effected in text form (Section 126b BGB). If the granting or revocation of proxy authorization takes place by way of a declaration vis-à-vis the Company, this may be submitted to the postal address, fax number or email address set forth in Section 2 (Conditions for exercising voting rights). It is also possible to grant a proxy using the password-protected Online-Service. If the declaration is submitted by email, it is assured that—irrespective of the possibility of granting proxy authorization directly in the email—attachments in the following formats can be processed: Word, pdf, jpg, txt, and tif. Proxy authorizations submitted by email can only be clearly assigned to the correct application data if the email (or the attachment) states either the name, date of birth and address of the shareholder or the shareholder number. When granting proxy authorization to voting proxies designated by the Company, the special provisions set forth in section d) below shall apply.

c) Special provisions concerning the granting of proxy authorization within the scope of Section 135 AktG

In the event that the granting of the power of attorney is subject to the scope of application of Section 135 AktG (i.e. in the event that (i) an intermediary, (ii) a shareholders' association, (iii) a proxy advisor within the meaning of Section 134a Paragraph 1 No. 3, Paragraph 2 No. 3 AktG or (iv) a power of attorney is granted to a person with equivalent status in accordance with section 135 Paragraph 8 AktG or the granting of the power of attorney is otherwise subject to the scope of application of section 135 AktG), neither section 134 Paragraph 3 sentence 3 AktG requires text form (Section 126b BGB) nor do the Articles of Association contain a special provision for this case. For this reason, the intermediaries, the shareholders' associations, the proxy advisors within the meaning of section 134a Paragraph 1 No. 3, Paragraph 2 No. 3 AktG and persons with equivalent status pursuant to section 135 Paragraph 8 AktG may provide for forms for their authorization which alone must comply with the statutory provisions applicable to this case of granting of proxy, in particular those in section 135 AktG. Attention is drawn to the special procedure set forth in Section 135 Paragraph 1 Sentence 5 AktG.

In particular, shareholders have the opportunity to grant power of attorney and, if desired, issue instructions to an intermediary, a shareholders' association or a proxy advisor within the meaning of Section 134a Paragraph 1 No. 3, Paragraph 2 No. 3 AktG or a person with equivalent status pursuant to Section 135 Paragraph 8 AktG using a password-protected Online-Service accessible via the above internet address (www.evonik.com/asm-services). The prerequisite for this is the participation in this Online-Service of the relevant intermediary, the relevant shareholders' association or the relevant proxy advisor within the meaning of Section 134a Paragraph 1 No. 3, Paragraph 2 No. 3 AktG or a person with equivalent status pursuant to Section 135 Paragraph 8 AktG. To use the password-protected Online-Service, an access password is required in addition to the shareholder number. Those shareholders who have already registered to receive the invitation to the Annual Shareholders' Meeting by email will receive their shareholder number with the email invitation to the Annual Shareholders' Meeting and must use the access password they chose when they registered. All other shareholders, insofar as they are registered in the share register before the start of Monday, August 17, 2020, will receive an access password which can be used for this Online-Service with their invitation to the Annual Shareholders' Meeting. The procedure for using the password-protected Online-Service requires that the shareholder is registered in the share register prior to the start of Monday, August 17, 2020. The password-protected Online-Service will be available from Thursday, August 6, 2020.

d) Voting proxies designated by the Company

The information given in section a) above also applies to the authorization of voting proxies designated by the Company, but the following special provisions apply: If proxy authorization is granted to the voting proxies designated by the Company, they will only exercise voting rights if explicit voting instructions have been issued. Instructions may only be issued with regard to resolution proposals of the management announced by the Company before the Annual Stockholders' Meeting, including any proposal for a resolution on the allocation of the net profit as amended at the Annual Stockholders' Meeting and with regard to resolutions proposed by shareholders that were announced by the Company prior to the Annual Shareholders' Meeting on the basis of a request from a minority of shareholders pursuant to Section 122 Paragraph 2 AktG[, or as a counter-motion pursuant to Section 126 Paragraph 1 AktG or proposals for elections pursuant to Section 127 AktG]. The proxies appointed by the Company do not accept instructions to file objections to resolutions of the Annual Shareholders' Meeting. Proxies and instructions to the proxies appointed by the Company must be sent to the Company by no later than 12.00 midnight (CEST) on Sunday, 30 August 2020 if they are sent by mail to the address stated in Section 2 above, by fax to the fax number stated in Section 2 above, or by email to the email address stated in Section 2 above (receipt by the Company). Notwithstanding the necessary registration by the end of Monday, August 24, 2020 (12.00 midnight (CEST)), the granting of proxy and instructions via the password-protected Online-Service in accordance with the procedure provided for this purpose is also possible on the day of the Annual Shareholders' Meeting, immediately before the explicit closure of voting by the chairman of the meeting during the Annual Shareholders' Meeting; the chairman of the meeting will point this out in good time.

The same shall apply mutatis mutandis to the amendment of instructions already issued or the revocation of the proxy.

The proxies appointed by the Company will not make use of a power of attorney granted to them and will not represent the shares in question if the shareholder or a proxy appointed by the shareholder later exercises the voting right for the shares in question by postal vote.

e) Evidence of proxy authorization

If the proxy authorization is granted via a declaration vis-à-vis the company, no further evidence of such proxy authorization is required. By contrast, if the proxy authorization is granted by making a declaration to the proxy, the Company can demand evidence of such proxy authorization unless otherwise specified by Section 135 AktG, in particular with reference to section c) above. Evidence of a granted power of attorney can be provided, for example, by sending the evidence of authorization (by the shareholder or the proxy) to the Company prior to the Annual Shareholder' Meeting. Such evidence may be submitted to the postal address or fax number set out in Section 2 (Conditions for the exercise of voting rights). Pursuant to Section 134 Paragraph 3 Sentence 4 AktG, we offer the following electronic communications methods for the submission of evidence of proxy authorization (by the shareholder or proxy): Evidence that the proxy authorization has been granted can be submitted to the Company by sending an email to the email address hv-service.evonik@adeus.de. It is assured that an attachment to the email (regardless of the possibility of forwarding an existing email) can be accepted in the following formats: Word, pdf, jpg, txt and tif. Evidence of proxy authorization submitted by email can only be clearly assigned to the application data if the evidence or the email states either the name, date of birth and address of the shareholder or the shareholder number. Notwithstanding the above, any declarations relating to the proxy authorization (granting, revocation) as well as any evidence to be provided to the Company, may be submitted, in particular, to the postal address or fax number given for application to attend the Meeting. For organizational reasons, it should be received by the Company by 12.00 midnight (CEST) on Sunday, August 30, 2020.

f) Multiple proxies

If a shareholder authorizes more than one person to act as proxy, under Section 134 Paragraph 3 Sentence 2 AktG, the Company may reject one or more of the proxies.

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4. Procedure for voting by postal vote

Provided that the conditions set out under "Conditions for the exercise of voting rights" are met, shareholders have the opportunity to cast their votes in writing or by means of electronic communication without attending the Annual Shareholders' Meeting (postal vote). The votes cast by written absentee ballot must be received by the Company no later than 12.00 midnight (CEST) on August 30, 2020, by mail to the address specified in Section 2 (Conditions for the exercise of voting rights), by fax to the fax number specified in Section 2 (Conditions for the exercise of voting rights), or by email to the email address specified in Section 2 (Conditions for the exercise of voting rights). Voting by postal vote may also be carried out electronically via the password-protected Online-Service using the (screen) form contained therein. Provided that the necessary registration

has been completed by 12.00 midnight (CEST) on August 24, 2020, voting via the password-protected Online-Service is also possible on the day of the Annual Shareholders' Meeting immediately before the chairman of the meeting expressly closes the voting session during the Annual Shareholders' Meeting; the chairman of the meeting will point this out in good time.

The same shall apply mutatis mutandis to the amendment of instructions already issued or the revocation of the postal vote.

Authorized intermediaries, shareholders' associations and proxy advisors in accordance with Section 134a Paragraph 1 No. 3, Paragraph 2 No. 3 AktG and persons with equivalent status in accordance with section 135 Paragraph 8 AktG may also use postal voting.

5. Information on shareholders' rights pursuant to Sections 122 Paragraph 2, 126 Paragraph 1, 127, 131 Paragraph 1 AktG

a) Request to add items to the agenda pursuant to Section 122 Paragraph 2 AktG

Pursuant to Section 122 Paragraph 2 AktG, shareholders whose shareholdings together comprise one twentieth of the capital stock or a proportionate interest of €500,000.00 (which corresponds to 500,000 shares) may request that items be added to the agenda and announced. Every new item must be accompanied by reasons or a proposal for a resolution. The request must be addressed to the company's Executive Board in writing and must be received by the Company by 12.00 midnight (CEST) on Friday, July 31, 2020. It should be addressed as follows to:

Evonik Industries AG
Executive Board
Rellinghauser Straße 1–11
45128 Essen, Germany

Pursuant to Section 122 Paragraph 2 Sentence 1, Paragraph 1 Sentence 3 AktG, persons submitting a request must provide evidence that they have held the shares in the Company for at least 90 days before the date the request is received and that they continue to hold such shares until the decision of the Executive Board on the request; Section 121 Paragraph 7 applies mutatis mutandis. Specific shareholding periods for third parties shall be taken into account pursuant to Section 70 AktG.

Additions to the agenda that have to be announced—insofar as they have not already been announced with the notice convening the Meeting—will be published immediately upon receipt by the Company in the Federal Gazette (Bundesanzeiger) and transmitted for publication to such media as it can be assumed will disseminate the information throughout the entire European Union. Any requests to add items to the agenda received by the Company after it has issued the notice convening the Annual Shareholders' Meeting and that the Company is required to announce will also be made accessible promptly upon receipt by the Company at the following internet address

www.evonik.com/annual-shareholders-meeting

and communicated to shareholders.

b) Countermotions and proposals for election pursuant to Section 126 AktG and Section 127 AktG

Countermotions within the meaning of Section 126 AktG and proposals for election within the meaning of Section 127 AktG will be made accessible at the following internet address with the name of the shareholder, reasons—which are at least not necessary in the case of proposals for election—and any statement by the management

www.evonik.com/annual-shareholders-meeting

provided that they are received by the Company by

12.00 midnight (CEST) on Sunday, August 16, 2020 at the latest

at the following **address**

Evonik Industries AG
Legal, Compliance & Audit
Rellinghauser Straße 1–11
45128 Essen, Germany

or by **fax** at +49 201 177-2206

or **email** at hv-gegenantraege@evonik.com

and the other requirements regarding the Company's duty to make them accessible pursuant to Sections 126 AktG and 127 AktG are met.

c) Opportunity to ask questions by way of electronic communication

The shareholders' right to information in accordance with Section 131 AktG is considerably restricted in the case of a virtual Shareholders' Meeting. Pursuant to Section 1 Paragraph 1, Paragraph 2 of the COVID-19 Act, shareholders are only given the opportunity to ask questions by way of electronic communication. The Executive Board has stipulated that questions must be submitted by electronic communication at the latest two days before the meeting. In deviation from Section 131 AktG, the Executive Board will decide which questions it will answer and how to answer them at its own dutiful, free discretion. According to the explanatory memorandum to Section 1 Paragraph 2 of the COVID-19 Act, the management does not have to answer all questions under any circumstances; it may summarize questions and select meaningful questions in the interest of the other shareholders. It may give preference to shareholder associations and institutional investors with significant voting interests. The questions must be submitted in German language. Questions in foreign languages will not be considered.

Shareholders registered for the Annual Shareholders' Meeting may submit their questions until 12.00 midnight (CEST) on August 29, 2020 at the latest using the password-protected Online-Service at www.evonik.com/asm-services in accordance with the procedure provided for this purpose. It is intended to name the question posers when answering the questions, unless the questioners expressly object to the naming of the questioners when submitting their questions.

d) Further explanations

Further explanations of the rights of shareholders pursuant, especially information relating to additional requirements above and beyond compliance with the relevant deadlines can be found in the internet at

www.evonik.com/annual-shareholders-meeting

6. Possibility of appealing against resolutions of the Annual Shareholders' Meeting

By waiving the requirement to appear at the Annual Shareholders' Meeting, shareholders who have exercised their voting rights via electronic communication (i.e. by postal vote) or by granting a power of attorney are given the opportunity to object to resolutions of the Annual Shareholders' Meeting from the beginning to the end of the Annual Shareholders' Meeting for the notary's minutes. Corresponding declarations must be submitted using the password-protected Online-Service at www.evonik.com/asm-services in accordance with the procedure provided for this purpose. The notary will receive any objections via the password-protected Online-Service.

7. Documents for the Annual Shareholders' Meeting, website with information pursuant to Section 124a AktG

The content of the notice convening the Annual Shareholders' Meeting, an explanation as to why no resolution is required on item 1 of the agenda, the documents to be made accessible at the Annual Shareholders' Meeting, the total number of shares and voting rights as of the date of the notice convening the Meeting, a form that can be used to grant voting proxy authorization and, where appropriate, issue voting instructions, and any requests to add items to the agenda pursuant to Section 122 Paragraph 2 AktG are accessible in the internet at:

www.evonik.com/annual-shareholders-meeting

The notice convening the meeting, together with the complete agenda and resolutions proposed by the Executive Board and Supervisory Board was published in the Federal Gazette (Bundesanzeiger) on July 16, 2020 and also submitted to those media that can be assumed to disseminate the information throughout the entire European Union.

8. Partial transmission of the Annual Shareholders' Meeting via the internet

All shareholders of Evonik Industries AG and interested members of the general public may follow the speeches given by the Chairman of the Supervisory Board and the Chairman of the Executive Board at the Annual Shareholders' Meeting live from around 10 a.m. (CEST) on August 31, 2020 at the following internet address:

www.evonik.com/annual-shareholders-meeting

There will be no further video or audio transmission of the Meeting for the interested public. The addresses given by the Chairman of the Supervisory Board and the Chairman of the Executive Board will be available at the above internet address as recordings after the Annual Shareholders' Meeting.

9. Total number of shares and voting rights

The total number of shares issued, each of which confers one voting right, is 466,000,000 as of the date of convocation of the Annual Shareholders' Meeting (information pursuant to Section 49 Paragraph 1 Sentence 1 No. 1 Option 2 of the German Securities Trading Act (Wertpapierhandelsgesetz)).

10. Note on data protection

The protection of our shareholders' data and their processing in compliance with the statutory requirements are of great importance to us. In our data protection information, we have summarized all information on the processing of our shareholders' personal data in one place. The data protection information is available under www.evonik.com/asm-services.

Essen, July 2020

**Evonik Industries AG
The Executive Board**

Key figures for the Evonik Group

Key figures

in € million	2015	2016	2017
Sales	13,507	12,732	14,383
Research and development expenses	434	438	476
Adjusted EBITDA ^a	2,465	2,165	2,357
Adjusted EBITDA margin in %	18.2	17.0	16.4
Adjusted EBIT ^b	1,752	1,448	1,486
Income before financial result and income taxes, continuing operations (EBIT)	1,664	1,298	1,225
ROCE ^c in %	16.6	14.0	11.2
Net income	991	844	713
Adjusted net income	1,128	930	1,007
Earnings per share in €	2.13	1.81	1.53
Adjusted earnings per share in €	2.42	1.99	2.16
Total assets as of December 31	17,005	19,645	19,940
Equity ratio as of December 31 in %	44.6	39.5	37.7
Cash flow from operating activities	1,971	1,769	1,551
Cash flow from operating activities, continuing operations	1,968	1,769	1,551
Cash outflows for capital expenditures ^d	916	948	1,040
Free cash flow ^e (after tax payments relating to the carve-out of the methacrylates business)	1,052	821	511
Free cash flow before tax payments relating to the carve-out of the methacrylates business	1,052	821	511
Net financial assets/debt as of December 31	1,098	1,111	-3,023
Accident frequency ^f	0.97	1.24	1.16
Incident frequency ^g	1.29	0.95	1.11
No. of employees as of December 31	33,576	34,351	36,523

Prior-year figures restated. The figures for 2018 and 2019 contain the methacrylates business as a discontinued operation.

^a Earnings before financial result, income taxes, depreciation, amortization, after adjustments, continuing operations.

^b Earnings before financial result, income taxes, after adjustments, continuing operations.

^c Return on capital employed.

^d Capital expenditures for intangible assets, property, plant and equipment, continuing operations.

^e Cash flow from operating activities, continuing operations, less cash outflows for capital expenditures on intangible assets, property, plant and equipment.

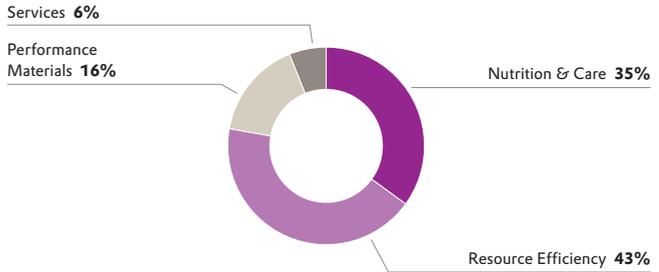
^f Number of work-related accidents involving Evonik employees and contractors under Evonik's direct supervision, per 1 million working hours.

^g Number of incidents involving the release of substances or energy, fire or explosion per 1 million working hours.

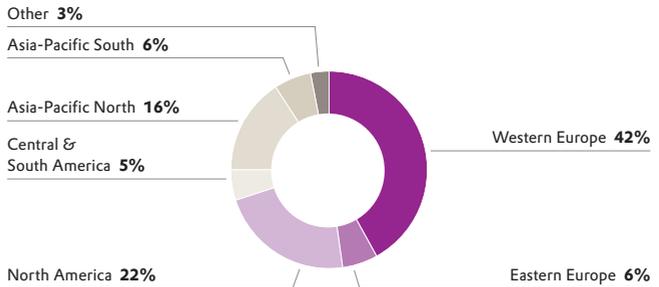
Due to rounding, some figures in this report may not add up exactly to the totals stated.

2018	2019
13,267	13,108
437	428
2,150	2,153
16.2	16.4
1,361	1,201
1,049	1,086
10.2	8.6
932	2,106
1,014	902
2.00	4.52
2.18	1.94
20,282	22,023
38.6	41.1
1,760	1,321
1,474	1,352
948	880
526	472
526	717
-2,907	-2,141
0.87	1.18
1.08	1.10
32,623	32,423

Sales by segment



Sales by region^a



^a By location of customer.

Financial Calendar

Annual Shareholders' Meeting 2020

August 31, 2020

Interim Report January–September 2020

November 3, 2020

Annual Shareholders' Meeting 2021

June 2, 2021

As we cannot rule out changes of dates, we recommend checking them on the Internet at www.evonik.com/investor-relations.

EVONIK INDUSTRIES AG
Rellinghauser Straße 1–11
45128 Essen
Germany
www.evonik.com