

# INVITATION TO THE ANNUAL SHARE- HOLDERS' MEETING

EVONIK INDUSTRIES AG, MAY 18, 2016



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WE HEREBY INVITE OUR  
SHAREHOLDERS TO THE  
ANNUAL SHAREHOLDERS'  
MEETING AT **10 A.M.**  
(CENTRAL EUROPEAN  
SUMMER TIME—CEST) ON  
**WEDNESDAY, MAY 18, 2016**  
AT THE **GRUGAHALLE,**  
**NORBERTSTRASSE 2,**  
**45131 ESSEN, GERMANY.**

*This document is a convenience translation of the German original.*

*In case of discrepancy between the English and German versions, the German version shall prevail.*

## 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 (Aktiengesetz – "AktG")

Pursuant to Section 176 Paragraph 1 Sentence 1 of the 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, 2015
- the approved consolidated financial statements as of December 31, 2015
- 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 289 Paragraph 4 and Section 315 Paragraph 4 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](http://www.evonik.com/annual-shareholders-meeting)**

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

Pursuant to Section 172 AktG, on March 2, 2016 the Supervisory Board approved the annual financial statements and the consolidated financial statements as prepared by the Executive Board on February 19, 2016. 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 propose that the following resolution be adopted:

The net profit of €605,000,000.00 stated in the annual financial statements for fiscal year 2015 shall be allocated as follows:

– Payment of a dividend of €1.15 per no-par value share entitled to the dividend	= €535,900,000.00
– Allocation to other revenue reserves	= €69,100,000.00
<b>Net profit</b>	<b>= €605,000,000.00</b>

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, 2016 (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 €1.15 per no-par value share entitled to the dividend, but a corresponding increase in the amount to be allocated to other revenue reserves.

### **3. Resolution on formal approval of the actions of the members of the Executive Board in fiscal year 2015**

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 2015 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 2015**

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 2015 are hereby formally approved for this period.

### **5. Resolution on elections to the Supervisory Board**

Mr. Koltes and Dr. Wildmoser have resigned as shareholder representatives on the Supervisory Board with effect from the end of the Annual Shareholders' Meeting on May 18, 2016. No substitute members have been elected for these two gentlemen. Therefore, it is necessary to elect two new shareholder representatives. Pursuant to Section 8 Paragraph 5 of the Articles of Association, in such cases, the election of a successor shall be for the remaining term of office of the member leaving the Supervisory Board, except where a shorter term of office is set.

Based on the recommendation of the Nomination Committee, the Supervisory Board proposes that the following persons be elected to the Supervisory Board as shareholder representatives (whereby the election shall be held individually for each candidate):

- a) Ms. Angela Titzrath, Stuttgart (Germany), self-employed management consultant for start-ups and equity investments ("business angel"), as successor to Mr. Steven Koltes, who is leaving the Supervisory Board at the end of the Annual Shareholders' Meeting on May 18, 2016, for his remaining term of office, i.e. until the end of the Annual Shareholders' Meeting that resolves to approve of the actions for fiscal year 2017;
- b) Mr. Ulrich Weber, Krefeld (Germany), Member of the Executive Board, Human Resources, of Deutsche Bahn AG and DB Mobility Logistics AG, as successor to Dr. Christian Wildmoser, who is leaving the Supervisory Board at the end of the Annual Shareholders' Meeting on May 18, 2016, for his remaining term of office, i.e. until the end of the Annual Shareholders' Meeting that resolves to approve the actions for fiscal year 2017.

### Information pursuant to Section 125 Paragraph 1 Sentence 5 AktG on the candidates proposed by the Supervisory Board for election to the Supervisory Board:

Memberships of Ms. Titzrath in other statutory supervisory boards to be established by law:

- AXA Konzern Aktiengesellschaft

Memberships of Ms. Titzrath in comparable domestic and foreign supervisory bodies responsible for supervising commercial enterprises:

- None

Membership of Mr. Weber in other statutory supervisory boards to be established by law:

- DB Schenker Rail AG\*
- Schenker AG\*
- DB Gastronomie GmbH (Chairman)\*
- DB JobService GmbH (Chairman)\*
- DB Zeitarbeit GmbH (Chairman)\*
- DEVK Deutsche Eisenbahn Versicherung  
Lebensversicherungsverein a. G.  
Betriebliche Sozialeinrichtung der Deutschen Bahn
- DEVK Deutsche Eisenbahn Versicherung  
Sach- und HUK-Versicherungsverein a. G.  
Betriebliche Sozialeinrichtung der Deutschen Bahn
- HDI-Gerling Industrie Versicherung AG

Offices marked with "\*" refer to functions in companies belonging to the same group (Konzernmandate) within the meaning of Section 100 Paragraph 2 Sentence 2 AktG.

Memberships of Mr. Weber in comparable domestic and foreign supervisory bodies responsible for supervising commercial enterprises:

- None

### Information pursuant to Section 124 Paragraph 2 Sentences 1 and 2 AktG:

In accordance with Section 96 Paragraphs 1 and 2 and Section 101 Paragraph 1 AktG, in conjunction with Section 7 Paragraph 1 Sentence 1 No. 3 of the German Codetermination Act of 1976, the Supervisory Board comprises ten representatives of the shareholders and ten representatives of the employees.

Section 96 Paragraph 2 Sentences 1 and 2 AktG stipulate that the Supervisory Board must have a minimum quota of at least 30 percent women and at least 30 percent men. For Evonik Industries AG, this means that at least 6 seats must be held by women and at least 6 must be held by men. Section 96 Paragraph 2 Sentence 3 AktG provides that the shareholder representatives or the employee representatives may object to overall fulfillment of this quota, which is the normal situation provided for by the law, with the consequence that each side must ensure that its composition complies with the quotas. So far, no such objection has been raised on the Supervisory Board of Evonik Industries AG. Neither side intends to raise any such objection in connection with the upcoming elections to the Supervisory



Board. Rather, the Supervisory Board intends to meet the quotas for its composition through overall fulfillment of the quotas. On both the shareholders' side and the employees' side, the members currently comprise two women and eight men. Mr. Vassiliadis is stepping down from the Supervisory Board with effect from the end of the Annual Shareholders' Meeting on May 18, 2016. It is proposed that he will be replaced by court appointment of a substitute female member of the Supervisory Board as an employee representative. With this replacement and the election of Ms. Titzrath, the minimum quota will be fulfilled.

In accordance with Section 5.4.1 Paragraphs 5 to 7 of the German Corporate Governance Code, attention is drawn to the following: The Supervisory Board believes that there are no material personal or business relations between Ms. Titzrath and Mr. Weber on the one hand and the companies in the Evonik Group, the governance bodies of the Evonik Industries AG or any shareholder with a direct or indirect interest of more than 10 percent of the voting shares in Evonik Industries AG on the other that are of relevance for the election by the Annual Shareholders' Meeting. Further, the Supervisory Board has satisfied itself that each of the candidates can devote the expected amount of time to the Supervisory Board.

## **6. Resolution on amendment of the purpose of the Company and revision of Section 2 of the Articles of Association**

The Company no longer operates in the energy and real estate sectors. Against this background, the Purpose of the Company and thus Section 2 of the Articles of Association are to be revised.

The Executive Board and Supervisory Board propose the following resolution:

Section 2 of the Articles of Association shall be revised as follows:

### **“§ 2**

#### **Purpose of the Company**

- (1) The purpose of the Company shall be the conduction of activities in the Chemical field in Germany and abroad as well as in associated areas, including the provision of services associated with this.
- (2) The Company is entitled to carry out all business and measures which are connected to the purpose of the Company and which are suitable in serving this purpose.
- (3) The Company may incorporate, acquire or take interests in other companies, combine companies under its unified control or restrict itself to the management of its holding, or transfer the interest or the management thereof to a third party for the account of the Company, dispose of its interests, conclude corporate contracts and establish branches. It may also transfer its activities wholly or partially to direct or indirect subsidiaries and restrict itself to managing a group of companies in the field mentioned in Paragraph 1.”

## **7. Resolution on amendment of the remuneration of the Supervisory Board and corresponding amendment of Section 15 Paragraph 1 of the Articles of Association**

Pursuant to Section 15 Paragraph 1 of the Articles of Association, the members of the Supervisory Board receive fixed annual remuneration. Further, they receive additional remuneration for their work on committees of the Supervisory Board. Higher remuneration is paid to the chairperson and deputy chairperson of the Supervisory Board as a whole or one of its committees. In view of the increased demands made on the work of the Supervisory Board as a whole and members of the General, Auditing and Finance and Investment Committees, the remuneration granted therefore should be raised appropriately. By contrast, the corresponding remuneration for work on the Nomination Committee and the Mediation Committee should be reduced. To this end, Section 15 Paragraph 1 of the Articles of Association should be revised accordingly.

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

- a) Section 15 Paragraph 1 of the Articles of Association shall be revised as follows:

“In addition to reimbursement of their expenditure, each member of the Supervisory Board shall annually receive a fixed remuneration. For the Chairperson of the Supervisory Board this remuneration shall amount to EUR 250,000, for the deputy chairperson EUR 175,000 and the remaining members EUR 100,000 each. The chairperson of the General Committee shall receive an additional remuneration of EUR 60,000, the deputy chairman of EUR 45,000 and the remaining members of EUR 35,000 each. The chairperson of the Audit Committee shall receive an additional remuneration of EUR 75,000, the deputy chairperson of EUR 50,000 and the remaining members of EUR 40,000 each. The chairperson of the Finance and Investment Committee shall receive an additional remuneration of EUR 50,000, the deputy chairperson of EUR 40,000 and the remaining members of EUR 30,000 each. The chairpersons of the Nomination Committee and the Mediation Committee shall receive an additional remuneration of EUR 20,000 each, the deputy chairpersons of EUR 10,000 each and the remaining members of EUR 10,000 each. For the work on the Mediation Committee, the entitlement to the additional remuneration shall only be given if the committee was actually convened during the fiscal year.”

- b) The remuneration of the Supervisory Board for fiscal year 2016 shall be based on the above amended remuneration rules, provided that the above amendment of the Articles of Association is entered in the Commercial Register in the current fiscal year.

## **8. 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 7 of the agenda at the Annual Shareholders’ Meeting of Evonik Industries AG on March 11, 2013 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 May 17, 2021, 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 a bank or other company 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 a bank or another company 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 a) of the agenda for the Annual Shareholders' Meeting on May 20, 2014, 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.

- c) 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 7 of the agenda for the Annual Shareholders' Meeting on March 11, 2013 is hereby withdrawn. This does not affect the authorization of the Annual Shareholders' Meeting on March 11, 2103 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 May 18, 2016 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 May 18, 2016 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 May 18, 2016, 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 May 17, 2021, 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 March 11, 2013 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 March 11, 2013 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 8 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 8 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 a) of the agenda for the Annual Shareholders' Meeting on May 20, 2014, 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 May 18, 2016. 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 May 18, 2016. 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 May 18, 2016, 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 32.1 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 a bank or other company 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 a bank or another company 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 multi-year 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 a bank or other company 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 a bank or another company 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 2016, as in 2014 and 2015, 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 and the USA

were eligible to participate in the previous employee share programs, i.e. in 2014 and 2015. The employee share programs in 2014 and 2015 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 €27.94 in 2014 and €34.96 in 2015. 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 US dollars). In addition, every participant in the employee share program in Germany, Belgium 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. At the start of the program in 2014, every participating employee was granted—regardless of the level of their personal investment—bonus shares up to a maximum value of €110.00 and, in relation to personal investments of up to €500.00, an additional bonus share—up to a maximum of €250.00—for every two shares purchased; in 2015, up to a personal investment of up to €720.00 every participating employee was granted, for every two shares purchased, an additional 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 2014 and 2015, employees have so far been granted a total number of 795,354 shares in the Company (purchased and free shares). It is expected that the same conditions as in 2015 will be used for the program in 2016. Based on the experience of the first two programs, it is expected that approximately 477,000 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). However, repurchase on the basis of Section 71 Paragraph 1 No. 2 AktG is not subject to the "safe harbor" privileges excluding breach of insider rules and market manipulation as specified by the provisions of Commission Regulation (EC) No. 2273/2003 of December 22, 2003 implementing Directive 2003/6/EC of the European Parliament and Council of the European Union, which remain in force up to and including July 2, 2016—regarding exemptions of buy-back programs and price stabilization measures (OJ EU No. L 336 p. 33). To be able to claim the above safe harbor privilege in the purchase of shares to be granted to employees, a corresponding authorization by the Shareholders' Meeting is required. The Authorized Capital 2014 adopted under item 8 of the agenda for the Annual Shareholders' Meeting on May 20, 2014 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 deposable 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 deposable 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 2014 approved under item 8 of the agenda for the Annual Shareholders' Meeting on May 20, 2014 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 deposable 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 deposable 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 convinced 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 2014 approved under item 8 of the agenda for the Annual Shareholders' Meeting on May 20, 2014 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 a) of the agenda for the Annual Shareholders' Meeting on May 20, 2014, 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 a) of the agenda for the Annual Shareholders' Meeting on May 20, 2014 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 20, 2014, which is published in the Federal Gazette (Bundesanzeiger) on April 7, 2014. The full wording of the authorization resolution is also accessible in the archive on the internet at

**<http://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. The granting of such rights can be provided for in the employment contract or such rights can be granted through a separate agreement, in which case the conclusion of a separate agreement may, from the viewpoint of the Executive Board member, be (fully or partially) voluntary or obligatory.

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 4.2.3 of the German Corporate Governance Code, which require that both positive and negative developments be taken into account in remuneration of the Executive Board. By granting shares with a multi-year 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.

**9. Resolution on the appointment of the auditor and of the Group auditor for fiscal year 2016 and of the auditor for an audit review of the condensed financial statements and interim management report as of June 30, 2016 pursuant to Section 37w Paragraph 5 and Section 37y No. 2 of the German Securities Trading Act (Wertpapierhandelsgesetz – "WpHG") ("interim financial report") and additional financial information during the year pursuant to Section 37w Paragraph 7 WpHG**

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

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf (Germany), is appointed

- a) as the auditor and Group auditor for fiscal year 2016
- b) as the auditor for a review of the condensed financial statements and interim management report as of June 30, 2016 pursuant to Section 37w Paragraph 5 and Section 37y No. 2 of the WpHG, and
- c) as the auditor for any review of the interim financial statements and interim management report pursuant to Section 37w Paragraph 7 WpHG for additional financial information during fiscal year 2016 and 2017 up to the next Annual Shareholders' Meeting.

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf (Germany), has declared to the Supervisory Board that there are no business, financial, personal or other relations between it, its governing bodies and its 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.

## II. FURTHER INFORMATION AND DETAILS OF THE ANNUAL SHAREHOLDERS' MEETING

### 1. Conditions of attendance and exercising 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 Wednesday, May 11, 2016 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 (0)69 25 62 70 49  
 Email: hv-service.evonik@adeus.de

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

**[www.evonik.com/asm-services](http://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 Wednesday, May 4, 2016. 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 Wednesday, May 4, 2016. The password-protected Online-Service will be available from Friday, April 22, 2016. 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 of the German Stock Corporation Act (Aktiengesetz – "AktG"), only those shareholders registered as such in the share register shall be deemed vis à vis the Company to be shareholders. Further, the right to attend the Annual Shareholders' Meeting and to 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 eligible to attend the Annual Shareholders' Meeting 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 Thursday, May 12, 2016 and the day of the Annual Shareholders' Meeting, i.e. Wednesday, May 18, 2016 (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 Wednesday, May 11, 2016 (referred to as the technical record date).

Banks, shareholders' associations and other persons deemed to be equivalent to banks within the meaning of Section 135 Paragraph 8 AktG, as well as institutions and companies deemed to be equivalent to banks within the meaning of Section 135 Paragraph 10 in conjunction with Section 125 Paragraph 5 AktG may only exercise voting rights for registered shares that do not belong to them but for which they are registered in the share register as the bearer on the basis of a proxy authorization. Details of such authorization are set forth in Section 135 AktG.

## 2. 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, a bank, shareholders' association, voting proxies designated by the Company or another person of their choice. Correct application to attend the Annual Shareholders' Meeting (see section 1 above (Conditions of attendance and exercising 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, the proxy attending the Annual Shareholders' Meeting 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. shareholders 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 order entrance tickets for a proxy or to grant proxy authorization and to issue voting instructions to the voting proxies designated by the Company. The password-protected Online-Service contains (electronic) forms that can be submitted, among others, in accordance with sections b) and d) below when submitting an application to attend the Meeting (to order entrance tickets for a proxy, grant proxy authorization or issue voting instructions to the voting proxies designated by the company) or to grant a proxy authorization and issue voting instructions in the cases set out at the time of application or subsequently. The entrance tickets issued in response to an order or self-generated via the password-protected Online-Service contain a form to grant proxy authorization. Moreover, the block of voting cards issued to shareholders at the entrance to the Annual Shareholders' Meeting contains cards that can be used to grant a proxy authorization and, if applicable, to issue voting instructions during the Annual Shareholders' Meeting. Further, a form that can be used to grant a proxy authorization and, if applicable, issue voting instructions can be found in the internet (see section 4 (Documents for the Annual Shareholders' Meeting, website with information pursuant to Section 124a AktG)).

### 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 (in other words, if the proxy is not (i) a bank, (ii) shareholders' association or other person deemed to be equivalent to a bank pursuant to Section 135 Paragraph 8 AktG or (iii) an institution or company deemed to be equivalent to a bank pursuant to Section 135 Paragraph 10 AktG in conjunction with Section 125 Paragraph 5 AktG and the granting of proxy authorization does not otherwise fall within the scope 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 German Civil Code (Bürgerliches Gesetzbuch – “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 1 (Conditions for attendance and exercising voting rights). 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**

If the granting of proxy authorization falls within the scope of Section 135 AktG (in other words, if (i) a bank, (ii) a shareholders' association or other person deemed to be equivalent to a bank pursuant to Section 135 Paragraph 8 AktG or (iii) an institution or company deemed to be equivalent to a bank pursuant to Section 135 Paragraph 10 AktG in conjunction with Section 125 Paragraph 5 AktG is granted proxy authorization, or the granting of proxy authorization is subject in any other way to the scope of Section 135 AktG), neither text form (Section 126b BGB) is required by Section 134 Paragraph 3 Sentence 3 AktG, nor do the Articles of Incorporation contain any special provisions for such cases. Therefore, the bank, shareholders' association or other person deemed to be equivalent to a bank pursuant to Section 135 Paragraph 8 AktG or institution or company deemed to be equivalent to a bank pursuant to Section 135 Paragraph 10 in conjunction with Section 125 Paragraph 5 AktG may require a form for the granting of proxy authorization that merely has to meet the statutory provisions for such cases, especially those set forth in Section 135 AktG. Attention is drawn to the special procedure set forth in Section 135 Paragraph 1 Sentence 5 AktG.

In particular, shareholders may grant proxy authorization to a bank or shareholders' association and, if desired, issue voting instructions, via a password-protect Online-Service provided at the internet address set out above ([www.evonik.com/asm-services](http://www.evonik.com/asm-services)). The pre-condition for this is that the respective bank or shareholders' association participates in this Online-Service. To utilize the password-protected Online-Service, the shareholder number and an access password are required. 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 Wednesday, May 4, 2016, 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 Wednesday, May 4, 2016. The password-protected Online-Service will be available from Friday, April 22, 2016.

**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 proxy authorization and voting instructions for voting proxies designated by the Company must be received by the Company by 12.00 midnight (CEST) on Tuesday, May 17, 2016, unless they are to be issued at the Annual Shareholders' Meeting. This shall also apply analogously for changes to voting instructions already issued.

The voting proxies designated by the Company will not utilize the proxy authorization issued to them, nor will they represent the shares concerned if the shares concerned are represented by another person present at the Annual Shareholders' Meeting (the shareholder or a representative of the shareholder).

#### **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 proxy authorization may be provided by the proxy producing the formal proxy authorization at the entrance check on the day of the Annual Stockholders' Meeting or by submission of evidence of such authorization (by the shareholder or proxy) to the company before the Annual Shareholders' Meeting. Such evidence may be submitted to the postal address or fax number set out in section 1 (Conditions for attendance and exercising 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, except where evidence of authorization shall be provided at the Annual Shareholders' Meeting, it should be received by the Company by 12.00 midnight (CEST) on Tuesday, May 17, 2016.

#### **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.

### 3. Information on shareholders' rights pursuant to Section 122 Paragraph 2, Section 126 Paragraph 1, Section 127 and Section 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 Sunday, April 17, 2016. It should be addressed as follows to:

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

Section 142 Paragraph 2 Sentence 2 AktG, which specifies that applicants requesting additions to the agenda must provide evidence that they held shares in the Company for at least three months prior to the Annual Shareholders' Meeting and that they continue to hold such shares until a decision on the motion is made, shall apply—pursuant to Section 122 Paragraph 2 Sentence 1, Paragraph 1 Sentence 3 AktG in the version applicable to this Annual Shareholders' Meeting according to Section 26h Paragraph 4 of the Introductory Law to the AktG (Einführungsgesetz zum AktG)—*mutatis mutandis*, i.e. in modified form. Accordingly, the Company will accept evidence that the shareholders have held shares in the Company at least since the start of February 18, 2016 and also hold these shares as of the start of the day on which the request to add items to the agenda is submitted. 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](http://www.evonik.com/annual-shareholders-meeting)**

and communicated to shareholders.

#### b) Counter-motions and proposals for election pursuant to Section 126 Paragraph 1 and Section 127 AktG

Shareholders may submit motions and, where appropriate, proposals for election relating to items on the agenda or the rules of procedure at the Annual Shareholders' Meeting without the need for announcement, publication or any other specific action prior to the Annual Shareholders' Meeting.

Counter-motions 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, the reasons—which are not necessary in the case of proposals for elections—any statement by the management, and, in the case of proposals by a shareholder for the election of members of the Supervisory Board, the details required by Section 127 Sentence 4 AktG,

**[www.evonik.com/annual-shareholders-meeting](http://www.evonik.com/annual-shareholders-meeting)**

provided that they are received by the Company by

**12.00 midnight (CEST) on Tuesday, May 3, 2016 at the latest**

at the following **address**

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

or sent by **fax** to +49 (0)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 and 127 AktG are met.

**c) Shareholders' rights to information pursuant to Section 131 Paragraph 1 AktG**

Under Section 131 Paragraph 1 AktG, the Executive Board is required to provide information to any shareholder who makes a corresponding request at the Annual Shareholders' Meeting on matters affecting the Company, including the Company's legal and business relationships with affiliated companies, the situation of the Group and companies included in the consolidated financial statements, insofar as such information is necessary for an objective assessment of items on the agenda and there is no right to refuse to disclose the information.

**d) Further explanations**

Further explanations of the rights of shareholders pursuant to Section 122 Paragraph 2, Section 126 Paragraph 1, Section 127 and Section 131 Paragraph 1 AktG, 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](http://www.evonik.com/annual-shareholders-meeting)**

**4. 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](http://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 April 5, 2016 and also submitted to those media that can be assumed to disseminate the information throughout the entire European Union.

## 5. 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 May 18, 2016 at the following internet address:

**[www.evonik.com/annual-shareholders-meeting](http://www.evonik.com/annual-shareholders-meeting)**

There will be no further video or audio transmission of the Meeting. 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.

## 6. 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 30b Paragraph 1 Sentence 1 No. 1 Option 2 of the German Securities Trading Act (Wertpapierhandelsgesetz – "WpHG").

**Essen, April 2016**  
**Evonik Industries AG**  
**The Executive Board**

## Key figures for the Evonik Group

### Key figures

in € million	2011	2012	2013	2014	2015
Sales	14,540	13,365	12,708	12,917	13,507
Adjusted EBITDA <sup>a</sup>	2,768	2,467	1,995	1,882	2,465
Adjusted EBITDA margin in %	19.0	18.5	15.7	14.6	18.2
Adjusted EBIT <sup>b</sup>	2,099	1,887	1,404	1,256	1,752
ROCE <sup>c</sup> in %	18.7	20.4	15.1	12.5	16.6
Net income	1,011	1,165	2,054	568	991
Adjusted net income	1,256	1,076	806	782	1,128
Earnings per share in €	2.17	2.50	4.41	1.22	2.13
Adjusted earnings per share in €	2.70	2.31	1.73	1.68	2.42
Total assets as of December 31	16,944	17,166	15,883	15,685	17,005
Equity ratio as of December 31 in %	35.8	31.9	43.0	41.6	44.6
Cash flow from operating activities	1,309	1,420	1,055	1,066	1,971
Capital expenditures <sup>d</sup>	830	960	1,140	1,123	877
Depreciation and amortization <sup>d</sup>	647	580	585	606	700
Net financial debt/assets as of December 31	-843	-1,163	571	400	1,098
No. of employees as of December 31	33,556	33,298	33,650	33,412	33,576

Figures for 2012 and 2013 contain the former Real Estate segment as a discontinued operation.  
2014 figures restated.

<sup>a</sup> Earnings before financial result, taxes, depreciation and amortization, after adjustments.

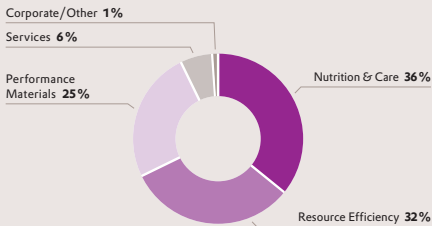
<sup>b</sup> Earnings before financial result and taxes, after adjustments.

<sup>c</sup> Return on capital employed.

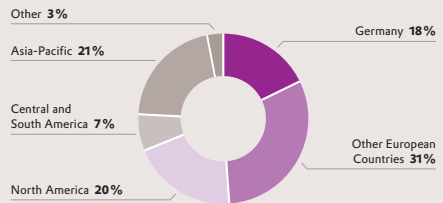
<sup>d</sup> Intangible assets, property, plant, equipment and investment property.

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

### Sales by segment



### Sales by region<sup>a</sup>



<sup>a</sup> By location of customer.

## Nutrition & Care

The Nutrition & Care segment produces specialty chemicals, principally for use in consumer goods for daily needs, and in animal nutrition and healthcare products.

- Growth drivers: rising prosperity in emerging markets and the aging population in industrialized countries.
- Leading market positions in superabsorbents (# 1–2), DL-methionine (# 1), pharmaceutical polymers (# 2).

### Key figures

in € million	2015	2014
External sales	4,924	4,075
Adjusted EBITDA	1,435	847
Adjusted EBITDA margin in %	29.1	20.8
Adjusted EBIT	1,214	685
ROCE in %	41.5	27.1
No. of employees	7,165	6,943

Prior-year figures restated.

## Resource Efficiency

The Resource Efficiency segment supplies high-performance materials for environment-friendly and energy-efficient systems to the automotive, paints, coatings, adhesives, construction industries and many other sectors.

- Growth drivers: trend to renewable energies and environment-friendly solutions.
- Leading market positions in silicas (# 1), isophorone chemistry (# 1), oil additives (# 1).

### Key figures

in € million	2015	2014
External sales	4,279	4,040
Adjusted EBITDA	896	836
Adjusted EBITDA margin in %	20.9	20.7
Adjusted EBIT	675	642
ROCE in %	24.8	25.9
No. of employees	8,662	7,835

Prior-year figures restated.

## Performance Materials

The heart of the Performance Materials segment is the production of polymer materials and intermediates, mainly for the rubber, plastics and agriculture industries.

- Growth drivers: rising mobility and urbanization.
- Leading market positions in alcoholates (# 1), butene-1 (#1), methacrylate polymers (# 1–2).

### Key figures

in € million	2015	2014
External sales	3,435	3,827
Adjusted EBITDA	309	325
Adjusted EBITDA margin in %	9.0	8.5
Adjusted EBIT	174	204
ROCE in %	11.9	14.6
No. of employees	4,380	4,353

Prior-year figures restated.

## Balance sheet

### Balance sheet for the Evonik Group

in € million	Note	Dec. 31, 2015	Dec. 31, 2014
Intangible assets	7.1	3,168	3,100
Property, plant and equipment	7.2	5,808	5,515
Investments recognized at equity	7.3	53	357
Financial assets	7.4	116	83
Deferred taxes	7.12	1,110	1,127
Current income tax assets	7.12	11	11
Other receivables	7.6	54	58
<b>Non-current assets</b>		<b>10,320</b>	<b>10,251</b>
Inventories	7.5	1,763	1,778
Current income tax assets	7.12	111	211
Trade accounts receivable	7.6	1,813	1,720
Other receivables	7.6	265	303
Financial assets	7.4	365	449
Cash and cash equivalents	8.3	2,368	921
		<b>6,685</b>	<b>5,382</b>
Assets held for sale	5.3	-	52
<b>Current assets</b>		<b>6,685</b>	<b>5,434</b>
<b>Total assets</b>		<b>17,005</b>	<b>15,685</b>

Prior-year figures restated.



in € million	Note	Dec. 31, 2015	Dec. 31, 2014
Issued capital		466	466
Capital reserve		1,166	1,165
Accumulated income		5,821	5,040
Accumulated other comprehensive income		40	-244
<b>Equity attributable to shareholders of Evonik Industries AG</b>		<b>7,493</b>	<b>6,427</b>
Equity attributable to non-controlling interests		83	95
<b>Equity</b>	7.7	<b>7,576</b>	<b>6,522</b>
Provisions for pensions and other post-employment benefits	7.8	3,349	3,953
Other provisions	7.9	854	903
Deferred taxes	7.12	479	449
Other income tax liabilities	7.12	150	199
Financial liabilities	7.10	1,415	666
Other payables	7.11	106	71
<b>Non-current liabilities</b>		<b>6,353</b>	<b>6,241</b>
Other provisions	7.9	1,177	957
Other income tax liabilities	7.12	209	105
Financial liabilities	7.10	291	469
Trade accounts payable	7.11	1,090	1,126
Other payables	7.11	309	247
		<b>3,076</b>	<b>2,904</b>
Liabilities associated with assets held for sale	5.3	-	18
<b>Current liabilities</b>		<b>3,076</b>	<b>2,922</b>
<b>Total equity and liabilities</b>		<b>17,005</b>	<b>15,685</b>

Prior-year figures restated.

## Cash flow statement

### Cash flow statement for the Evonik Group

in € million	Note	2015	2014
Income before financial result and income taxes, continuing operations		1,664	1,077
Depreciation, amortization, impairment losses/reversal of impairment losses on non-current assets		764	656
Result from investments recognized at equity		15	-14
Gains/losses on the disposal of non-current assets		-144	-4
Change in inventories		52	-90
Change in trade accounts receivable		-44	-29
Change in trade accounts payable and current advance payments received from customers		-18	28
Change in provisions for pensions and other post-employment benefits		-162	-165
Change in other provisions		111	-43
Change in miscellaneous assets/liabilities		92	-70
Cash outflows for interest		-67	-114
Cash inflows from interest		22	13
Cash inflows from dividends		19	20
Cash inflows/outflows for income taxes		-336	-230
<b>Cash flow from operating activities, continuing operations</b>		<b>1,968</b>	<b>1,035</b>
Cash flow from operating activities, discontinued operations		3	31
<b>Cash flow from operating activities</b>	8.1	<b>1,971</b>	<b>1,066</b>
Cash outflows for investments in intangible assets, property, plant and equipment		-916	-1,095
Cash outflows for investments in shareholdings		-70	-114
Cash inflows from divestments of intangible assets, property, plant and equipment		13	17
Cash inflows/outflows from divestment of shareholdings		421	578
Cash inflows/outflows relating to securities, deposits and loans		111	248
Transfers to the pension trust fund (CTA)		-219	-209
<b>Cash flow from investing activities, continuing operations</b>		<b>-660</b>	<b>-575</b>
Cash flow from investing activities, discontinued operations		-	-1
<b>Cash flow from investing activities</b>	8.2	<b>-660</b>	<b>-576</b>
Cash inflows/outflows relating to capital contributions		3	-
Cash outflows for dividends to shareholders of Evonik Industries AG		-466	-466
Cash outflows for dividends to non-controlling interests		-11	-5
Cash outflows for the purchase of treasury shares		-14	-13
Cash inflows from the sale of treasury shares		15	13
Cash inflows from the addition of financial liabilities		844	207
Cash outflows for repayment of financial liabilities		-238	-891
<b>Cash flow from financing activities, continuing operations</b>		<b>133</b>	<b>-1,155</b>
Cash flow from financing activities, discontinued operations		-	-
<b>Cash flow from financing activities</b>		<b>133</b>	<b>-1,155</b>
<b>Change in cash and cash equivalents</b>		<b>1,444</b>	<b>-665</b>
<b>Cash and cash equivalents as of January 1</b>		<b>921</b>	<b>1,572</b>
Change in cash and cash equivalents		1,444	-665
Changes in exchange rates and other changes in cash and cash equivalents		3	14
<b>Cash and cash equivalents as on the balance sheet as of December 31</b>	8.3	<b>2,368</b>	<b>921</b>

Prior-year figures restated.

## Income statement

### Income statement for the Evonik Group

in € million	Note	2015	2014
Sales	6.1	13,507	12,917
Cost of sales	6.2	-9,096	-9,308
<b>Gross profit on sales</b>		<b>4,411</b>	<b>3,609</b>
Selling expenses	6.2	-1,447	-1,289
Research and development expenses	6.2	-434	-413
General administrative expenses	6.2	-693	-601
Other operating income	6.3	445	250
Other operating expenses	6.4	-603	-493
Result from investments recognized at equity	6.5	-15	14
<b>Income before financial result and income taxes, continuing operations</b>		<b>1,664</b>	<b>1,077</b>
Interest income		46	71
Interest expense		-245	-289
Other financial income/expense		-24	-17
<b>Financial result</b>	6.6	<b>-223</b>	<b>-235</b>
<b>Income before income taxes, continuing operations</b>		<b>1,441</b>	<b>842</b>
Income taxes	6.7	-422	-252
<b>Income after taxes, continuing operations</b>		<b>1,019</b>	<b>590</b>
Income after taxes, discontinued operations	5.3	-17	-9
<b>Income after taxes</b>		<b>1,002</b>	<b>581</b>
thereof attributable to			
Non-controlling interests		11	13
Shareholders of Evonik Industries AG (net income)		991	568
<b>Earnings per share in € (basic and diluted)</b>	6.8	<b>+2.13</b>	<b>+1.22</b>

Prior-year figures restated.

## FINANCIAL CALENDAR

Interim Report January—March 2016

May 4, 2016

Annual Shareholders' Meeting 2016

May 18, 2016

Interim Report January—June 2016

August 5, 2016

Interim Report January—September 2016

November 4, 2016

Annual Shareholders' Meeting 2017

May 23, 2017

As we cannot rule out changes of dates, we recommend checking them on the internet at [www.evonik.com/investor-relations](http://www.evonik.com/investor-relations).









**EVONIK**  
INDUSTRIES

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**Evonik. Power to create.**