

Celanese CORP  
Form DEF 14A  
March 25, 2008

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**CELANESE CORPORATION  
FORM PROXY STATEMENT  
SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**CELANESE CORPORATION**  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
-

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**CELANESE CORPORATION  
1601 West Lyndon B. Johnson Freeway  
Dallas, Texas 75234**

**March 25, 2008**

Dear Fellow Shareholders:

On behalf of your Board of Directors, I am pleased to invite you to attend the 2008 Annual Meeting of Shareholders of Celanese Corporation. The meeting will be held at 8:00 a.m. (Dallas time) on Thursday, April 24, 2008, at The Crescent Club, 200 Crescent Court 1<sup>st</sup> Floor, Dallas, Texas 75201.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe the items to be considered and acted upon by the shareholders and are first being mailed on or about March 25, 2008. You may also read the notice and Proxy Statement on our website at [www.celanese.com/index/ir\\_index/ir\\_reports.htm](http://www.celanese.com/index/ir_index/ir_reports.htm).

To ensure that your shares are represented at the meeting, we urge you to mark your choices on the enclosed proxy card, sign and date the card and return it promptly in the envelope provided. We also offer shareholders the opportunity to vote their shares electronically through the Internet or by telephone. Please see the Proxy Statement and the enclosed proxy card for details about electronic voting options. If you are able to attend the meeting and wish to vote your shares personally, you may do so at any time before the polls close at the meeting.

Sincerely,

David N. Weidman  
*Chairman and  
Chief Executive Officer*

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**CELANESE CORPORATION  
1601 West Lyndon B. Johnson Freeway  
Dallas, Texas 75234**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

Date: April 24, 2008

Time: 8:00 a.m., Central Daylight Time

Place: The Crescent Club  
200 Crescent Court 17<sup>th</sup> Floor  
Dallas, Texas 75201

Items of Business: (1) To elect Mr. Martin G. McGuinn, Mr. Daniel S. Sanders and Mr. John K. Wulff to serve on our Board of Directors until the 2011 Annual Meeting of Shareholders or until their successors are elected and qualified;

(2) To ratify the selection of KPMG LLP ( KPMG ) as our independent registered public accounting firm for the fiscal year ending December 31, 2008; and

(3) To transact such other business as may properly come before the meeting.

Record Date: You are entitled to attend the Annual Meeting and can vote if you were a shareholder of record as of the close of business on March 3, 2008.

Date of Mailing: This notice and the Proxy Statement are first being mailed to shareholders on or about March 25, 2008.

Our proxy statement is attached. Financial and other information about Celanese Corporation is contained in our Annual Report to Shareholders for the fiscal year ended December 31, 2007.

**Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting**

Pursuant to new rules promulgated by the Securities and Exchange Commission, we have elected to provide access to our proxy materials both (i) by sending you this full set of proxy materials, including a proxy card, and (ii) by notifying you of the availability of our proxy materials on the internet. This proxy statement and our Annual Report to Shareholders for the fiscal year ended December 31, 2007 are available at our website, [http://www.celanese.com/index/ir\\_index/ir\\_reports.htm](http://www.celanese.com/index/ir_index/ir_reports.htm). In accordance with such rules, this website does not have cookies that identify visitors to the website.

By Order of the Board of Directors of  
Celanese Corporation

Curtis S. Shaw  
*Executive Vice President, General Counsel  
and Corporate Secretary*

Dallas, Texas  
March 25, 2008

**YOUR VOTE IS IMPORTANT**

It is important that your shares are represented and voted at the Annual Meeting. Whether or not you plan to attend the meeting, please mark your choices on the enclosed proxy card, sign and date the card and return it promptly in the envelope provided. We also offer shareholders the opportunity to vote their shares electronically through the Internet or by telephone. Please see the Proxy Statement and the enclosed proxy card for details about electronic voting options. If you are able to attend the meeting and wish to vote your shares personally, you may do so at any time before the polls close at the meeting.



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**CELANESE CORPORATION  
1601 West Lyndon B. Johnson Freeway  
Dallas, Texas 75234**

**PROXY STATEMENT**

**For the Annual Meeting of Shareholders To Be Held on  
April 24, 2008**

The Board of Directors (the Board of Directors or the Board) of Celanese Corporation, a Delaware corporation (Celanese, us, Company, we or our), solicits the enclosed proxy for use at our 2008 Annual Meeting of Shareholders. The meeting will be held at 8:00 a.m. (Dallas time) on Thursday, April 24, 2008, at The Crescent Club, 200 Crescent Court 17<sup>th</sup> Floor, Dallas, Texas 75201. This Proxy Statement contains information about the matters to be voted on at the meeting and the voting process, as well as information about our directors (each, a director or collectively, the directors) and executive officers. We will bear the expense of soliciting the proxies for the Annual Meeting.

**Adoption of Majority Voting Standard in Uncontested Director Elections**

On February 8, 2008, the Board of Directors acting upon the recommendation of the Nominating and Corporate Governance Committee of the Board approved an amendment and restatement of the Company's Amended and Restated By-Laws, effective as of February 8, 2008, to change the vote standard for the election of directors from a plurality to a majority of votes cast in uncontested elections. The amendment states that a majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast against that director. In contested elections where the number of nominees exceeds the number of directors to be elected, the vote standard will continue to be a plurality of votes cast.

In connection with this By-Law amendment, the Board also approved and adopted amendments to the Company's Corporate Governance Guidelines (the Guidelines), to provide that the Nominating and Corporate Governance Committee will establish procedures for any director who is not elected to tender his or her resignation. Under the Guidelines, in the event that a director nominee fails to receive the requisite vote, the Nominating and Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation of such director, or whether other action should be taken. In making its recommendation to the Board, the Nominating and Corporate Governance Committee will be entitled to consider all factors believed relevant by its members. The Board will promptly publicly disclose its decision regarding the director's resignation offer (including the reason(s) for rejecting the resignation offer, if applicable). If the Board accepts a director's resignation pursuant to this process, the Nominating and Corporate Governance Committee will recommend to the Board whether to fill such vacancy or reduce the size of the Board.

**INFORMATION CONCERNING SOLICITATION AND VOTING**

This Proxy Statement and the form of proxy will be mailed on or about March 25, 2008, to shareholders of record and beneficial owners who owned shares of Celanese Series A common stock (the Common Stock) at the close of business on March 3, 2008.

Our principal executive offices are located at 1601 West Lyndon B. Johnson Freeway, Dallas, Texas 75234. Directors, officers and regular employees may solicit proxies on behalf of Celanese, without additional compensation, personally or by telephone.



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**QUESTIONS AND ANSWERS ABOUT  
THE PROXY MATERIALS AND THE ANNUAL MEETING**

**What is the purpose of the Annual Meeting?**

At our Annual Meeting, shareholders will vote upon several important Company matters. In addition, our management will report on the Company's performance over the last fiscal year and, following the meeting, respond to questions from shareholders.

**Who may attend the Annual Meeting?**

The Board of Directors set March 3, 2008 as the record date for the Annual Meeting. All shareholders of record and beneficial owners of shares of Common Stock at the close of business on March 3, 2008, or their duly appointed proxies, may attend and vote at the Annual Meeting or any adjournments thereof. For verification of beneficial ownership at the Annual Meeting, you will need to bring personal identification and a copy of your brokerage statement reflecting your share ownership as of March 3, 2008 and check in at the registration desk.

**Who may vote at the meeting?**

Each shareholder who owned Common Stock at the close of business on March 3, 2008 is entitled to one vote for each share of Common Stock held on all matters to be voted on. At the close of business on the record date, there were 154,766,024 shares of our Common Stock outstanding. We have no outstanding shares of our Series B common stock.

**What constitutes a quorum to conduct business at the meeting?**

The required quorum for the transaction of business at the Annual Meeting is a majority of shares of Common Stock issued and outstanding on the record date. Shares that are voted FOR, AGAINST or ABSTAIN are treated as being present at the meeting for purposes of establishing a quorum and are also treated as shares entitled to vote at the Annual Meeting (the Votes Cast) with respect to such matter.

**How many votes are required to pass a proposal?**

The affirmative vote of a majority of the votes present or represented and entitled to vote is required for all proposals and for the election of each director. This means that the director nominees who receive a majority of votes cast will be elected (the number of shares voted FOR a director nominee must exceed the number of votes cast AGAINST that nominee). Shares not present at the meeting and shares voting ABSTAIN have no effect on the election of directors or the proposal to be acted upon at this meeting.

**What does it mean to vote by proxy?**

By giving your proxy, you give someone else the right to vote your shares in accordance with your instructions. In this way, you assure that your vote will be counted even if you are unable to attend the Annual Meeting. If you give your proxy but do not include specific instructions on how to vote, the Proxyholders will vote your shares FOR the election of the Board's nominees and the ratification of public accountants.

**How does the Board recommend I vote on the proposals?**

The Board recommends votes:

**FOR** the election of each of the nominees for Class I director named in this Proxy Statement, Mr. Martin G. McGuinn, Mr. Daniel S. Sanders and Mr. John K. Wulff; and

**FOR** the ratification of KPMG as our independent registered public accounting firm for fiscal year 2008.

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### **What is the difference between holding and voting shares as a shareholder of record and as a beneficial owner?**

Most Celanese shareholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

*Shareholder of Record.* If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A. ( Computershare ), you are considered, with respect to those shares, the shareholder of record, and these proxy materials are being sent directly to you by Celanese. As the shareholder of record, you have the right to grant your voting proxy directly to Mr. Steven M. Sterin, our Senior Vice President and Chief Financial Officer, Mr. Curtis S. Shaw, our Executive Vice President, General Counsel and Corporate Secretary, and Mr. Robert L. Villaseñor, our Counsel and Assistant Secretary, collectively (the Proxyholders ) or to vote in person at the Annual Meeting. Celanese has enclosed or sent a proxy card for you to use.

*Beneficial Owner.* If your shares are held in a stock brokerage account or by a bank or other nominee (the Record Holder ), you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your Record Holder, which is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct your broker or nominee how to vote and are also invited to attend the Annual Meeting. **HOWEVER, SINCE YOU ARE NOT THE SHAREHOLDER OF RECORD, YOU MAY NOT VOTE THESE SHARES IN PERSON AT THE ANNUAL MEETING UNLESS YOU OBTAIN A SIGNED LEGAL PROXY FROM THE RECORD HOLDER GIVING YOU THE RIGHT TO VOTE THE SHARES.** Your Record Holder has enclosed or provided a voting instruction card for you to use in directing the broker or nominee how to vote your shares.

### **How do I cast my vote?**

Each shareholder is entitled to one vote for each share of Common Stock on all matters presented at the Annual Meeting. Shareholders do not have the right to cumulate their votes for the election of directors. Celanese is offering the following methods of voting:

#### **In-Person Voting**

*Shareholders of Record.* Shares held directly in your name as the shareholder of record may be voted in person at the Annual Meeting. If you choose to vote in person at the Annual Meeting, please bring the enclosed proxy card or proof of identification.

*Beneficial Owners.* Shares held in street name may be voted in person by you only if you obtain a legal proxy from the Record Holder giving you the right to vote the shares.

**EVEN IF YOU CURRENTLY PLAN TO ATTEND THE ANNUAL MEETING, WE RECOMMEND THAT YOU ALSO SUBMIT YOUR PROXY AS DESCRIBED ABOVE SO THAT YOUR VOTE WILL BE COUNTED IF YOU LATER DECIDE NOT TO ATTEND THE MEETING. SIGNING AND RETURNING THE PROXY CARD OR SUBMITTING THE PROXY BY TELEPHONE OR OVER THE INTERNET DOES NOT AFFECT THE RIGHT TO VOTE IN PERSON AT THE ANNUAL MEETING.**

#### **Electronic Voting**

**Shareholders of Record.** Shareholders of record may vote electronically by telephone by calling 1-800-652-VOTE (8683) or over the Internet by accessing [www.investorvote.com](http://www.investorvote.com). Proxies submitted through the Internet or by telephone through Computershare as described above must be received by 11:59 p.m. Eastern Daylight Time, on April 23, 2008.

**Beneficial Owners.** Beneficial owners may be eligible to vote electronically over the Internet or by telephone if your Record Holder participates in the ADP Investor Communication Services online program. Voter instruction cards will include information for shareholders whose Record Holder is participating in ADP's program. Proxies submitted through the Internet or by telephone through ADP Investor Communication Services as described above must be received by 11:59 p.m. Eastern Daylight Time, on April 23, 2008.

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**Proxy Voting Card.** Shareholders not wishing to vote electronically or whose proxy voting form does not reference Internet or telephone voting information should complete and return the enclosed proxy voting card.

### **What happens if additional proposals are presented at the Annual Meeting?**

Other than the election of directors and the ratification of the independent registered public accounting firm, we do not expect any matters to be presented for a vote at the Annual Meeting. If you grant a proxy, the persons named as Proxyholders, Steven M. Sterin, our Senior Vice President and Chief Financial Officer, Curtis S. Shaw, our Executive Vice President, General Counsel and Corporate Secretary, and Robert L. Villaseñor, Counsel and Assistant Secretary, will have the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting. Under our By-laws, the deadline for notifying us of any additional proposals to be presented at the Annual Meeting has passed and, accordingly, shareholders may not present proposals at the Annual Meeting.

### **Can I change my vote or revoke my proxy?**

If your shares are held in street name through a broker, bank or other nominee, you should contact the holder of your shares regarding how to revoke your proxy.

If you are a shareholder of record, you may change your vote at any time before the polls close at the Annual Meeting. You may do this by:

signing another proxy card with a later date and returning it to us prior to the Annual Meeting;

voting again by telephone or through the Internet prior to 11:59 pm Eastern Daylight Time, on April 23, 2008;

giving written notice to the Corporate Secretary of the Company by April 23, 2008; or

voting again at the meeting.

Your attendance at the Annual Meeting will not have the effect of revoking a proxy unless you notify our Corporate Secretary in writing before the polls close that you wish to revoke a previous proxy. You may revoke your proxy at any time before the proxy has been voted at the Annual Meeting by taking one of the actions described above.

### **Who will count the votes?**

Representatives of Computershare will count the votes and will serve as the independent inspector of the election.

### **What if I return my proxy card but do not provide voting instructions?**

If you provide specific voting instructions, your shares will be voted as you instruct. If you sign and return a proxy card but do not specify how your shares are to be voted, the persons named as proxies on the proxy card will vote your shares in accordance with the recommendations of the Board provided above.

### **What does it mean if I receive more than one proxy card?**

It means that you have multiple accounts with brokers and/or our transfer agent, Computershare. Please vote all of these shares. We recommend that you contact your broker and/or Computershare to consolidate as many accounts as possible under the same name and address. Computershare can be contacted at: Computershare Investor Services,

P.O. Box 43078, Providence, Rhode Island 02940-3010 and via the website: [www.computershare.com](http://www.computershare.com).

**Will my shares be voted if I do not provide my proxy?**

Your shares may be voted if they are held in the name of a brokerage firm, even if you do not provide the brokerage firm with voting instructions. Brokerage firms have the authority under the NYSE rules to cast votes on certain routine matters if they do not receive instructions from their customers. The election of directors and



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ratification of the independent registered accounting firm are considered routine matters for which brokerage firms may vote unvoted shares. When a proposal is not a routine matter and the brokerage firm has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the brokerage firm cannot vote the shares on that proposal. This is called a broker non-vote.

### **How are abstentions and broker non-votes treated?**

While there is no definitive statutory or case law authority in Delaware as to the proper treatment of abstentions, the Company believes that abstentions should be counted for purposes of determining both (i) the presence or absence of a quorum for the transaction of business and (ii) the total number of Votes Cast with respect to a proposal (other than the election of directors). In the absence of a controlling precedent to the contrary, the Company intends to treat abstentions in this manner. Accordingly, abstentions will have the same effect as a vote against the proposal as to which the abstention is made. Broker non-votes will be counted toward calculating a quorum, but not have any effect on the outcome of the voting on a proposal.

### **How can I request copies of the Proxy Materials or information?**

If you are a beneficial owner, please contact your Record Holder. If you are a shareholder of record, you may contact our transfer agent:

By mail addressed to:  
Celanese Corporation  
c/o Computershare Investor Services  
P.O. Box 43078  
Providence, Rhode Island 02940-3010

By calling Computershare at: (781) 575-3400

By sending us an email to: [InvestorRelations@celanese.com](mailto:InvestorRelations@celanese.com)

We encourage you to **enroll in electronic delivery of our shareholder communications materials**. By enrolling in electronic delivery, you can receive our proxy materials and shareholder communications as soon as they are available without waiting for them to arrive in the mail. If you have questions about electronic delivery, please call our transfer agent at the number provided above or your bank or broker.

To enroll in electronic delivery:

*Shareholder of Record.* If you are a shareholder of record (you hold your Celanese shares in your own name through Celanese's transfer agent, Computershare, or you have stock certificates), visit [www.computershare.com](http://www.computershare.com) to enroll.

*Beneficial Owner.* If you are a beneficial owner (your shares are held by a brokerage firm, a bank or a trustee), visit [www.icsdelivery.com](http://www.icsdelivery.com) to enroll.

Your electronic delivery enrollment will be effective until canceled.

### **What is householding ?**

We may send a single set of proxy materials and other shareholder communications to any household at which two or more shareholders reside. This process is called householding. This reduces duplicate mailings, saves printing and postage costs and conserves natural resources. Proxy materials and other shareholder communications to you may be householded based on your prior express or implied consent.

To change your householding status:

*Shareholder of Record.* If you are a shareholder of record, please use the same contact information provided above under **How can I request copies of the Proxy Materials or information?**

*Beneficial Owner.* If you are a beneficial owner, please submit your request to your stockbroker.

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**Deadline for receipt of shareholder proposals for 2008 Annual Meeting of Shareholders**

A shareholder wishing to submit a proposal to be considered for inclusion in the Proxy Statement and form of proxy relating to the 2009 Annual Meeting of Shareholders must submit the proposal in writing, and the proposal must be received by Celanese at its principal executive office not later than November 27, 2008; a shareholder wishing to make a proposal at the 2009 Annual Meeting of Shareholders must submit a written proposal that is received by Celanese at its principal executive office no earlier than November 27, 2008 and no later than December 27, 2008. If we do not receive notice of your proposal within this time frame, our management will use discretionary authority to vote the shares it represents as the Board of Directors may recommend.

**Date of our fiscal year end**

This Proxy Statement provides information about the matters to be voted on at the Annual Meeting and also additional information about Celanese, its officers and directors. Some of the information is stated as of the end of fiscal year 2007, and some information is provided as of a more current date. Our fiscal year ends on December 31.

**ITEM 1: ELECTION OF DIRECTORS**

**Director Nominees**

Under the Company's bylaws, a director nominee must receive an affirmative vote from a majority of the shares present at the Company's annual meeting of shareholders in order to be elected. The Board believes this majority vote standard appropriately gives shareholders a greater voice in the election of directors than does plurality voting. Under Delaware law, an incumbent director who fails to receive the required vote holds over, or continues to serve as a director, until his or her successor is elected and qualified. In order to address this holdover issue, Board policy requires an incumbent nominee who fails to receive the required vote to tender a resignation. Following receipt of such a resignation, the Board will act on it within 90 days of the certification of the vote. In considering whether to accept or reject the resignation, the Board will consider all factors it deems relevant, including the underlying reason for the vote result, the director's contributions to the company during his or her tenure, and the director's qualifications. The Board may accept or reject the resignation. Only independent directors will participate in the deliberations regarding a tendered resignation.

Our Board of Directors has nominated Mr. Martin G. McGuinn, Mr. Daniel S. Sanders and Mr. John K. Wulff to be elected as Class I directors at the Annual Meeting of Shareholders. The director nominees, Messrs. McGuinn, Sanders and Wulff, have consented to be elected to serve as directors for the term of the Class I directors. Unless otherwise instructed, the Proxyholders will vote the proxies received by them for Celanese's three nominees named below. If any nominee of Celanese is unable or declines to serve as a director as of the time of the Annual Meeting, the proxies will be voted for any nominee who shall be designated by the present Board of Directors to fill the vacancy. If elected, Messrs. McGuinn, Sanders and Wulff will serve until the 2011 Annual Meeting of Shareholders or until their successors are elected and qualified. The names of the nominees and certain information about them as of March 3, 2008 are set forth below:

***Martin G. McGuinn***, 65, has been a member of our Board of Directors since August 2006. He currently serves as a director and a member of the Audit Committee as well as the Organization and Compensation Committee of The Chubb Corporation. He also serves as a member of the CapGen Financial Advisory Board. He was Chairman and Chief Executive Officer of Mellon Financial Corporation until February 2006, where he spent 25 years in a number of positions. Mr. McGuinn served as Chairman of the Financial Services Roundtable and as the 2005 President of the Federal Reserve Board's Advisory Council. Mr. McGuinn also serves on several nonprofit boards including the

Carnegie Museums of Pittsburgh and the University of Pittsburgh Medical Center.

***Daniel S. Sanders***, 68, has been a member of our Board of Directors since December 2004. He was President of ExxonMobil Chemical Company and Vice President of ExxonMobil Corporation from December 1999 until his retirement in August 2004. Prior to the merger of Exxon and Mobil, Mr. Sanders served as President of Exxon Chemical Company beginning in January 1999 and as its Executive Vice President beginning in 1998. Mr. Sanders is a member of the Council of Overseers of the Jesse H. Jones Graduate School of Management at Rice University,

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the Advisory Board of Furman University and the Board of the Greenville Symphony. He is the past Chairman of the Board of the American Chemistry Council and past Chairman of the Society of Chemical Industry (American Section). He currently serves as a director and member of the Compensation and Governance Committee of Milliken and Co., a director and Chairman of the Compensation and Governance Committee of Arch Chemical and a director, member of the Compensation Committee and Chairman of the Safety, Health and Environmental Committee of Nalco Holding Company. Mr. Sanders is the recipient of the 2005 Chemical Industry Medal awarded by the Society of Chemical Industry (American Section).

**John K. Wulff**, 59, has been a member of our Board of Directors since August 2006. He has been the non-executive Chairman of the Board of Hercules Incorporated since July 2003. Prior to that, he served as a member of the Financial Accounting Standards Board from July 2001 to June 2003. Mr. Wulff was previously Chief Financial Officer of Union Carbide Corporation from 1996 to 2001. During his fourteen years at Union Carbide, he also served as Vice President and Principal Accounting Officer from January 1989 to December 1995, and Controller from July 1987 to January 1989. Mr. Wulff was also a partner of KPMG and its predecessor firms from 1977 to 1987. He currently serves as director of Moody's Corporation (where he is Chairman of the Audit Committee), Sunoco Incorporated, Fannie Mae (where he is Chairman of the Nominating and Corporate Governance Committee) and Hercules Incorporated.

## **Vote Required**

Each director must receive a majority of votes cast in favor of his election. Votes withheld from any nominee will effectively be votes against such election.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE NOMINEES LISTED ABOVE.**

## **Directors Continuing in Office**

### ***Class II Directors Term Expires in 2009***

**James E. Barlett**, 64, has been a member of our Board of Directors since December 2004. He has been Vice-Chairman of TeleTech Holdings, Inc. since October 2001. Mr. Barlett was elected to TeleTech Holdings, Inc.'s Board of Directors in February 2000. He previously served as the Chairman, President and Chief Executive Officer of Galileo International, Inc. Prior to joining Galileo, Mr. Barlett served as Executive Vice President for MasterCard International Corporation and was Executive Vice President for NBD Bancorp. Mr. Barlett serves as a director of TeleTech Holdings, Inc. and Korn/Ferry International, and is also a member of Korn/Ferry's Audit Committee.

**David F. Hoffmeister**, 53, has been a member of our Board of Directors since May 2006. Since October 2004 Mr. Hoffmeister has served as Chief Financial Officer, Senior Vice President, Finance at Invitrogen Corporation, a NASDAQ listed company which develops, manufactures and markets research tools for life sciences research, drug discovery, diagnostics and commercial manufacture of biological products. Before joining Invitrogen, Mr. Hoffmeister spent 20 years with McKinsey & Company as a senior partner serving clients in the healthcare, private equity and chemical industries on issues of strategy and organization. From 1998 to 2003, Mr. Hoffmeister was the leader of McKinsey's North American chemical practice.

**Paul H. O'Neill**, 72, has been a member of our Board of Directors since December 2004. Mr. O'Neill has been a Special Advisor at Blackstone, LP since March 2003. Prior to that, he served as U.S. Secretary of the Treasury during 2001 and 2002 and was Chief Executive Officer of Alcoa Inc. from 1987 to 1999 and Chairman of the Board from 1987 to 2000. He currently also serves as a director on the board of TRW Automotive Holdings Corp.

***Class III Directors Term Expires in 2010***

***Mark C. Rohr***, 56, has been a member of our Board of Directors since April 2007. He is President and Chief Executive Officer of Albemarle Corporation since October 2002. Rohr served as Albemarle's President and Chief Operating Officer from January 2000 through September 2002. Previously, Rohr served as Executive Vice President Operations of Albemarle. Before joining Albemarle, Rohr served as Senior Vice President, Specialty

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Chemicals of Occidental Chemical Corporation. Mr. Rohr also serves on the Executive Committee of the American Chemistry Council and the board of the Wildlife Habitat Council.

*Farah M. Walters*, 63, has been a member of our Board of Directors since May 2007. She serves as President and Chief Executive Officer of QualHealth, LLC, a healthcare consulting firm that designs healthcare delivery models. She also serves as a director and member of the Compensation and Governance Committee and of the Financial Policy Committee for PolyOne Corporation. From 1992 until her retirement in June 2002, Ms. Walters was the President and Chief Executive Officer of University Hospitals Health System and University Hospitals of Cleveland.

*David N. Weidman*, 52, has been our President, Chief Executive Officer and a member of our Board of Directors since December 2004. He became Chairman of the Board in February 2007. Until October 2004, Mr. Weidman was a member of the Board of Management of Celanese AG and had served as its Vice Chairman since September 2003 and its Chief Operating Officer since January 2002. He joined Celanese AG as the Chief Executive Officer of Celanese Chemicals in September 2000. Before joining Celanese AG, he had been a member of Honeywell/Allied Signal's Corporate Executive Council and the President of its performance polymers business since 1998. Mr. Weidman joined Allied Signal in 1994 as Vice President and General Manager of Performance Additives and became President and General Manager of Fluorine Products in 1995. Mr. Weidman began his career in the chemical industry with American Cyanamid in 1980, serving as Vice President and General Manager of its fibers division from 1990 to 1994, as Vice President and General Manager of Cyanamid Canada from 1989 to 1990 and as Managing Director of Cyanamid Nordiska in Stockholm, Sweden from 1987 to 1989. He is also a board member and Chairman of the Executive Committee of the American Chemistry Council, board member of the National Advisory Council of the Marriott School of Management, board member of the Society of Chemical Industry, board member of the Conservation Fund and a member of Advancement Counsel for Engineering and Technology for the Ira A. Fulton College of Engineering and Technology.

## **Directors Not Continuing in Office**

*Chinh E. Chu*, 41, will resign from our Board of Directors as of the date of our 2008 Annual Meeting of Shareholders. Mr. Chu has been a member of our Board of Directors since November 2004. He is a Senior Managing Director of The Blackstone Group L.P., which he joined in 1990. Mr. Chu currently serves on the Boards of Directors of Nalco Holding Company, Graham Packaging Company, FGIC, SunGard Data Systems, Health Markets and Encore Medical.

## **Director Compensation**

The Company uses both cash and stock-based compensation to attract and retain qualified directors to serve on our Board of Directors. In setting the compensation levels, the Company considered the extent of time and the expertise required to serve on our Board. Each non-management director is entitled to (i) an annual cash retainer of \$85,000 (paid quarterly) and (ii) an annual equity retainer of \$85,000 in restricted stock units (issued at the first regular board meeting following the annual meeting). In addition, the chair of the Nominating and Corporate Governance Committee, Compensation Committee and Environmental, Health and Safety Committee receives an annual fee of \$10,000 and the chair of the Audit Committee receives an annual fee of \$20,000. Also, all non-management directors are eligible for grants of stock options or restricted stock units.

**Table of Contents****Director Summary Compensation Table**

The table below is a summary of compensation paid and stock options and restricted stock units granted by the Company to non-employee directors for the fiscal year ending December 31, 2007. David N. Weidman is not included in this table as he is an employee of the Company and receives no compensation for his services as director.

Name	Fees Earned or		Option Awards (\$)(3)	Change in Pension Value and Nonqualified Non-Equity Deferred Incentive Plan Compensation		All Other Compensation (\$)	Total (\$)
	Paid in Cash (\$)(1)	Stock Awards (\$)		Earning (\$)	Compensation (\$)		
Blackstone Management Partners IV, LLC: Benjamin J. Jenkins, Anjan Mukherjee, James A. Quella, Chinh E. Chu	\$ 268,500(2)	\$ 85,000(4)	\$ 56,792(4)				\$ 410,292
James E. Barlett	\$ 110,000	\$ 85,000	\$ 11,359				\$ 206,359
Paul H. O'Neill	\$ 111,250	\$ 85,000	\$ 11,359				\$ 207,609
Daniel S. Sanders	\$ 112,500	\$ 85,000	\$ 11,359				\$ 208,859
David F. Hoffmeister	\$ 124,500	\$ 85,000	\$ 42,808				\$ 252,308
John K. Wulff	\$ 115,000	\$ 85,000	\$ 40,452				\$ 240,452
Martin G. McGuinn	\$ 107,500	\$ 85,000	\$ 40,452				\$ 232,952
Mark C. Rohr	\$ 75,000	\$ 85,000	\$ 47,368(5)				\$ 207,368
Farah M. Walters	\$ 49,583	\$ 85,000	\$ 35,094(6)				\$ 169,677

(1) Includes payment of an annual retainer and chair fees.

(2) Includes total combined compensation for Messrs. Jenkins, Mukherjee, Quella and Chu, who each waived all rights to any cash compensation to which they were entitled as directors of the Company, and authorized Blackstone Management Partners IV LLC to receive all such cash payments.

(3) FAS 123(R) valuation at December 31, 2007 and includes amounts granted in 2005, 2006 and 2007. As of December 31, 2007, each director has the following amounts of options outstanding: James E. Barlett was



granted 24,622, of which 24,622 are vested; Paul H. O'Neill was granted 24,622, of which 24,622 are vested; Daniel S. Sanders was granted 24,622, of which 24,622 are vested; David F. Hoffmeister was granted 25,000, of which 6,250 are vested; John K. Wulff was granted 25,000, of which none are vested; Martin G. McGuinn was granted 25,000 of which none are vested; Mark C. Rohr was granted 25,000 of which none are vested; Farah M. Walters was granted 25,000 of which none are vested.

- (4) Includes FAS 123(R) valuation of total combined compensation for Messrs. Jenkins, Mukherjee, Quella and Chu, who each waived all rights to any grants of options of Common Stock and restricted stock units to which they were entitled as directors of the Company and authorized Blackstone Management Partners IV LLC to receive all such option and restricted stock unit grants. None of Messrs. Jenkins, Mukherjee and Quella have acquired any Company stock.
- (5) Granted 25,000 options on April 29, 2007 with a grant date fair value of \$300,000.
- (6) Granted 25,000 options on July 25, 2007 with a grant date fair value of \$372,000.

**ITEM 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has selected KPMG to audit our consolidated financial statements. During fiscal 2007, KPMG served as our independent registered public accounting firm and also provided other audit-related and non-audit services which were approved by the Audit Committee.

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Representatives of KPMG will be present at the Annual Meeting and will have the opportunity to make a statement if they desire and will be available to respond to appropriate questions from shareholders.

We are asking our shareholders to ratify the selection of KPMG as our independent registered public accounting firm. Although ratification is not required by our By-laws or otherwise, the Board is submitting the selection of KPMG to our shareholders for ratification as a matter of good corporate practice. Even if the selection is ratified, the Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our shareholders.

**Audit and Related Fees**

Aggregate fees billed to the Company and its predecessor during the years ended December 31, 2007 and 2006 by its principal accounting firm KPMG and KPMG affiliates as follows:

	<b>Year Ended December 31,</b>	
	<b>2007</b>	<b>2006</b>
Audit Fees(1)	\$ 6,083,000	\$ 8,145,000
Audit-related Fees(2)	323,000	1,636,000
Tax Fees(3)	96,000	556,000
All Other Fees	0	0
<b>Total Fees</b>	<b>6,502,000</b>	<b>10,337,000</b>

- (1) For professional services rendered for the audits of consolidated financial statements of the Company (including the audit of internal controls over financial reporting), statutory audits and the review of the Company's quarterly consolidated financial statements.
- (2) Primarily for the professional services rendered in connection with secondary offerings, consultation on financial accounting and reporting standards and employee benefit plan audits.
- (3) Primarily for professional fees related to the preparation of tax returns in non-US jurisdictions, assistance with tax audits and appeals and technical assistance.

**Audit Committee Pre-approval Policy**

The Audit Committee is responsible for the appointment, compensation, retention, and oversight of, and for the pre-approval of all audit, audit-related, tax and nonaudit services to be provided by our independent registered public accounting firm. The Audit Committee has adopted guidelines for preapproval of services to be provided by our independent registered public accounting firm. The Audit Committee has pre-approved certain audit and non-audit services which do not exceed \$100,000 per project and \$1 million per year in the aggregate. In general, services that are eligible for pre-approval are submitted to the controller (in the case of audit or audit-related services) or vice president, tax (in the case of tax services) for a determination of whether such services satisfy the conditions for pre-approval. Management must report such services to the Audit Committee at its next meeting.

None of the services related to the Audit-related fees or Tax fees described above were approved by the Audit Committee pursuant to a waiver of the pre-approval provisions set forth in applicable SEC rules.

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**OUR MANAGEMENT TEAM**

Set forth below is information regarding current executive officers of the Company who are not also serving as directors:

**Jim Alder**, 59, has served as our Senior Vice President, Operations and Technical since February 2008. In this capacity he oversees our global manufacturing operations, as well as the Company's overall productivity efforts, including Six Sigma and operational excellence. Mr. Alder previously served as our Vice President, Operations and Technical from 2000 to February 2008. Prior to 2000, Mr. Alder held various roles within the Company's manufacturing, research and development, and business management operations. He joined Celanese in 1974 as a process engineer and received a Bachelor of Science degree in Chemical Engineering from MIT in 1970.

**Miguel A. Desdin**, 41, has served as our Vice President and Controller since July 2007. Mr. Desdin previously served as our Vice President, Business Planning & Analysis from 2005 to July 2007. From 2000 to 2005, Mr. Desdin worked for Great Lakes Chemical Corporation. There he held various leadership positions in the finance organization including Vice President of Finance, Performance Chemicals from 2001 to 2003 and Treasurer from 2004 to 2005. He began his career at AlliedSignal (now Honeywell International). Mr. Desdin received a Bachelor of Science in industrial engineering from the University of Florida in 1988 and an MBA from the University of Pennsylvania's Wharton School in 1994.

**John J. Gallagher III**, 43, has served as our Executive Vice President and President, Acetyl Intermediates and Celanese Asia since July 2007. Mr. Gallagher previously served as our Executive Vice President and Chief Financial Officer from August 2005 to July 2007. Prior to joining Celanese, Gallagher was chief executive officer of Great Lakes Chemical Corporation since November 2004. He began his career with Great Lakes Chemical as senior vice president and chief financial officer in May 2001. In 2003 and 2004, he was also responsible for the company's global supply chain. Before joining Great Lakes Chemical, he was vice president and Chief Financial Officer of UOP LLC, a leading manufacturer of catalysts and licensor of petroleum refining and petrochemical processes, since 1999. Gallagher started his career in the manufacturing industry at AlliedSignal as director of Finance, Mergers and Acquisitions, in February 1995, and became chief financial officer of the AlliedSignal Bendix Vehicle Systems Division in September 1998. Before joining AlliedSignal, he was an M&A consultant at Price Waterhouse LLP. Mr. Gallagher received a Bachelor of Science degree in accounting from the University of Delaware in 1986 and is a Certified Public Accountant. He is a member of the American Institute of Certified Public Accountants.

**Sandra Beach Lin**, 49, has served as our Executive Vice President and President, Ticona since July 2007. From 2002 to 2007, Ms. Lin was group Vice President, Specialty Materials and Converting, at Avery Dennison Corporation. She has also held global leadership positions at Closure Systems International, a division of Alcoa, and at Honeywell International, including as president of Bendix Commercial Vehicle Systems. Ms. Lin currently serves as a member of the Board of Directors and the Audit and Nominating & Governance Committees of WESCO International, Inc. Ms. Lin received a Bachelor of Arts degree in business administration from the University of Toledo in 1980 and an MBA from the University of Michigan in 1982.

**Douglas M. Madden**, 55, has served as our Executive Vice President, and President, Acetate, AT Plastics and Emulsions & PVOH since 2006. Mr. Madden previously served as president of Celanese Acetate from October 2003 to 2006. Prior to assuming leadership for Celanese Acetate, Mr. Madden served as vice president and general manager of the acrylates business and head of global supply chain for Celanese Chemicals from 2000 to October 2003. Prior to 2000, Mr. Madden held various vice president level positions in finance, global procurement, and business support with the Hoechst Celanese Life Sciences Group, Celanese Fibers and Celanese Chemicals businesses. In 1990, he

served as business director for Ticona's GUR business and held prior responsibilities as director of quality management for Specialty Products. Madden started his career with American Hoechst Corporation in 1984 as manager of corporate distribution. His prior experience included operational and distribution management with Warner-Lambert and Johnson & Johnson. Mr. Madden received a Bachelor of Science degree in business administration from the University of Illinois.

**John A. O Dwyer**, 55, has served as our Executive Vice President, Supply Management since February 2008. Mr. O Dwyer previously served as our Executive Vice President and President, Acetyl Intermediates from July 2005 to July 2007 and Vice President, Strategic Procurement and Service Management from 2004 to July 2005.

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Prior to 2004, Mr. O Dwyer held various leadership roles with the Company, including director of the acetyl intermediate business line, director for the ethylene oxide/ethylene glycol business line and general sales manager for Asia. From 1987 to 1990, he was based in Frankfurt, Germany where he served as a global solvents marketing manager for two years and in the Hoechst Corporate Strategy Group for one year. Mr. O Dwyer joined Celanese in 1981 as a sales representative. Mr. O Dwyer received a Bachelor of Science degree in biology from Loyola University of Chicago and an MBA from Northwestern University.

**Kevin Rogan**, 55, has served as our Senior Vice President, Human Resources since September 2007. Mr. Rogan joined Celanese in November 2005 as Associate General Counsel and Assistant Secretary. Before joining Celanese, from 2000 through 2005, Mr. Rogan worked at Hunton & Williams, LLP, where he was a partner in the corporate law department. Prior to Hunton & Williams, Mr. Rogan worked in senior legal positions at PepsiCo, Diageo and McKesson. Mr. Rogan received a Bachelor of Arts degree in political science from Yale University in 1974 and a juris doctor degree from Fordham University School of Law in 1978.

**Curtis S. Shaw**, 59, has been our Executive Vice President, General Counsel and Corporate Secretary since October 2005. Mr. Shaw previously served as Executive Vice President, General Counsel (Americas) and Corporate Secretary from April 2005 to October 2005. Prior to joining Celanese, Mr. Shaw was Executive Vice President, General Counsel and Secretary of Charter Communications, Inc. from 2003 to 2005 and Senior Vice President, General Counsel and Secretary of Charter Communications, Inc. from 1997 to 2003. Mr. Shaw also served as Corporate Counsel to NYNEX Corporation from 1988 to 1996. Mr. Shaw is a corporate lawyer, specializing in mergers and acquisitions, joint ventures, public offerings, financings, and federal securities and antitrust law. Mr. Shaw received a Bachelor of Arts degree with honors in economics from Trinity College in 1970 and a juris doctor degree from Columbia University School of Law in 1973.

**Steven M. Sterin**, 36, has served as our Senior Vice President and Chief Financial Officer since July 2007. Mr. Sterin previously served as our Vice President, Controller and Principal Accounting Officer from September 2005 to July 2007 and Director of Finance for Celanese Chemicals from 2003 to 2005 and Controller of Celanese Chemicals from 2004 to 2005. Prior to joining Celanese, Mr. Sterin worked for Reichhold, Inc., a subsidiary of Dainnippon Ink and Chemicals, Incorporated, beginning in 1997. There he held a variety of leadership positions in the finance organization before serving as Treasurer from 2000 to 2001 and later as Vice President of Finance, Coating Resins from 2001 to 2003. Mr. Sterin began his career at Price Waterhouse LLP, currently known as PricewaterhouseCoopers LLP. Mr. Sterin, a Certified Public Accountant, graduated from the University of Texas at Austin in May 1995, receiving both a Bachelor of Arts degree in business and a Masters degree in professional accounting.

**Jay C. Townsend**, 49, has served as our Senior Vice President, Corporate Development since 2007. Mr. Townsend previously served as our Vice President of Business Strategy and Development from 2005 to 2006. Mr. Townsend joined Celanese in 1986 as a Business Analyst and has held several roles of increasing responsibility within the US and Europe. Mr. Townsend received his Bachelor of Science degree in international finance from Widener University in 1980.

## **CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

### ***Related Person Transaction Policy***

Any new arrangement or an amendment to an existing arrangement with a related person, including any director or director nominee, or executive officer, an immediate family member of a director, director nominee or officer, or any person who owns more than 5% of the Company's voting securities, requires the review of the Audit Committee. If a member of the Audit Committee has an interest in or is under the influence of the related person, then that member must excuse himself from voting. Management must present the transaction as well as disclose the full extent of the

relationship the Company has with the related person to the Audit Committee, and must demonstrate that the arrangement was awarded through a competitive bidding process. Management must also show that the arrangement is at least as favorable to the Company as any comparable arrangement that the Company could obtain from any unrelated party. The Audit Committee may retain independent financial or legal counsel to

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assist in their evaluation of the proposed arrangement. A majority of the Audit Committee must approve the transaction. Ongoing transactions will undergo an annual review and approval by the Audit Committee.

If the transaction is less than \$2 million in the aggregate, and is awarded through a competitive bidding process, the chief executive officer or chief financial officer may approve the transaction and will notify the Audit Committee of the transaction at their next regularly scheduled meeting.

### ***Agreements with Affiliates of The Blackstone Group L.P.***

The agreements described below were entered into with affiliates of Blackstone when the Company was still a controlled company under the rules of the NYSE. The agreements expired upon the divestiture by Blackstone of its holdings of Common Stock in May 2007. Although we have not conducted the analysis, the terms of the transactions described below may not have been as favorable to us as the terms obtainable from unrelated third parties.

### ***Transaction and Monitoring Fee Agreement/Sponsor Services Agreement***

In April 2004, the Company entered into a transaction and monitoring fee agreement with Blackstone Management Partners IV L.L.C. ( Blackstone IV ), an affiliate of Blackstone.

Under the agreement, Blackstone agreed to provide monitoring services to the Company for a 12-year period, unless terminated earlier by agreement between us and Blackstone or until such time as Blackstone (including its affiliates) direct or indirect ownership of us falls below 10%. These monitoring services included (i) advice regarding the structure, distribution, and timing of debt and equity offerings, (ii) advice regarding our business strategy, (iii) general advice regarding dispositions and/or acquisitions and (iv) other advice directly related or ancillary to the Blackstone Affiliated Companies, as defined below, financial advisory services.

The transaction and monitoring fee agreement was amended and restated, following which it was referred to as the Sponsor Services Agreement. Under this agreement, in the absence of a separate agreement regarding compensation for these types of additional services, Blackstone IV was entitled to receive upon consummation of (i) any such acquisition, disposition or recapitalization a fee equal to 1% of the aggregate enterprise value of the acquired, divested or recapitalized entity or, if such transaction is structured as an asset purchase or sale, 1% of the consideration paid for or received in respect of the assets acquired or disposed of and (ii) any such refinancing, a fee equal to 1% of the aggregate value of the securities subject to such refinancing. In addition, the Company agreed to indemnify Blackstone IV, its affiliates, and their respective partners, members, officers, directors, employees and agents for losses relating to the engagement. Under the sponsor services agreement, we paid fees in the amount of \$7 million (for the sale of the Company's oxo products and derivatives businesses and the acquisition of Acetate Products Limited's cellulose acetate flake, tow and film business) to Blackstone IV in 2007.

### ***Shareholders Agreement***

In connection with the acquisition of Celanese AG shares in 2004, the Company and (Blackstone Capital Partners (Cayman) Ltd. 1, Blackstone Capital Partners (Cayman) Ltd. 2, Blackstone Capital Partners (Cayman) Ltd. 3 and BA Capital Investors Sidecar Fund, L.P. ( BACI )) (collectively, the Blackstone Original Stockholders ) entered into a shareholders agreement, which has been subsequently amended. Among other things, the shareholders agreement established certain rights and restrictions upon the Blackstone Original Stockholders with respect to our governance, the transfer of shares of the Company's Common Stock, indemnification and related matters. BACI had been part of the shareholders agreement, but the agreement with respect to BACI was terminated as of March 30, 2006. The Company has agreed to indemnify the Blackstone Original Stockholders and their respective affiliates, directors, officers and representatives for losses relating to the acquisition of Celanese AG and other related transactions.



***Registration Rights Agreement***

In connection with the acquisition of Celanese AG shares, the Company and the Blackstone Original Stockholders entered into a registration rights agreement in 2004, which was subsequently amended, pursuant

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to which certain of the Blackstone Original Stockholders had the right to request the Company to register the sale of shares of Common Stock held by the Blackstone Original Stockholders into the market from time to time.

As of March 3, 2008, the Blackstone Original Stockholders and their affiliates owned no shares of Common Stock entitled to these registration rights. The Company agreed to indemnify the Blackstone Original Stockholders, their respective affiliates, directors, officers and representatives, and each underwriter and their affiliates, for losses relating to any material misstatement or material omissions of facts in connection with the registration of the Blackstone Original Stockholders' shares of the Company. In addition, under the terms of the registration rights agreement, we were required to pay all registration expenses (other than underwriting discounts or commissions or transfer taxes) of the Blackstone Original Stockholders. We paid less than \$1 million in expenses related to the registration of shares for the Blackstone Original Stockholders during 2007.

### ***Employee Stockholders Agreement***

In connection with the issuance of shares to certain of our executive officers, key employees and directors as discussed under Compensation Discussion and Analysis Analysis of Compensation Decisions Long-Term Incentive Compensation 2004 Stock Incentive Plan, we entered into a management stockholders agreement with such officers, employees, directors and Blackstone. Among other things, this agreement restricted the transfer by these stockholders of their shares in the Company's Common Stock, subject to certain exceptions (including the occurrences of a change in control relating to us and the termination of employment of a management stockholder (other than the named executive officers) under certain circumstances), subject to a lock-up period until July 21, 2007.

The above descriptions of the shareholders' agreement, the registration rights agreement, the sponsor services agreement, and the employee stockholders agreement, as well as the transactions contemplated by those documents, are not complete and are qualified in their entirety by reference to the exhibits of these documents in the Current Report on Form 8-K (File No. 001-32410) filed by the Company on January 28, 2005. The subsequent amendment to the Shareholders' Agreement is qualified by reference to the exhibit of the document in the Current Report on Form 10-K (File No. 001-32410) filed by the Company on March 31, 2006.

### ***Blackstone Indemnification for Certain of Our Board Members***

Those of our current and former Board members who are affiliated with Blackstone may also have indemnification agreements or protections from Blackstone relating to their service on our Board of Directors.

### ***Relationships with Affiliates of Blackstone and Other Related Parties***

Blackstone has ownership interests in a broad range of companies ( Portfolio Companies ) and has affiliations with other companies ( Affiliated Companies ). We have entered into commercial transactions in the ordinary course of our business with these Portfolio Companies and Affiliated Companies, including the sale of goods and services and the purchase of goods and services. The largest of these relationships is the payments we paid to affiliates of Nalco Holding Company, a Portfolio Company, in the ordinary course of business for goods and services, which totaled approximately \$3.6 million in 2007. No other such transactions or arrangements with Blackstone or its affiliates were of great enough value to be considered material.

We have entered into commercial transactions in the ordinary course of our business with WESCO International, Inc., including the purchase and sale of goods and services in the ordinary course of business, which totaled approximately \$1 million in 2007. Ms. Lin is a director of WESCO International, Inc. and serves on its Audit and Nominating & Governance committees.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers to file with the SEC reports of their ownership and changes in their ownership of Common Stock. We received written representations from each such person that no Form 5 was due for 2007. To the best of our knowledge, in 2007, we believe that all required forms were filed on time with the SEC, with the exception of two Forms 4 filed by the Company on behalf of John J. Gallagher III and Steven M. Sterin which were inadvertently filed late. In addition,

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certain ownership information relating to phantom stock holdings that was inadvertently omitted from the Form 3 filed on behalf of John A. O Dwyer in 2007 was reported late.

**CORPORATE GOVERNANCE**

The business and affairs of the Company are managed under the direction of the Board of Directors. The Board believes that good corporate governance is a critical factor in achieving business success and in fulfilling the Board's responsibilities to shareholders. The Board believes that its practices align management and shareholder interests. Highlights of our corporate governance practices are described below.

Strong corporate governance is an integral part of Celanese's core values. Our Company's corporate governance policies and procedures are available on the corporate governance portal of the Company's investor relations website, [www.celanese.com/index/ir\\_index/ir\\_corp\\_governance.htm](http://www.celanese.com/index/ir_index/ir_corp_governance.htm). The corporate governance portal includes the Company's Corporate Governance Guidelines, Board Committee Charters, Global Code of Business Conduct, Financial Code of Ethics, and Shareholders Communications with the Board Policy. Printed copies of these documents are available without charge upon request. We provide below specific information regarding certain corporate governance practices.

**Composition of the Board of Directors**

Our Board of Directors is divided into three classes. The members of each class serve for a three-year term, expiring at the Annual Meeting of Shareholders in the year shown below.

**Class I 2008**

Martin G. McGuinn(1)  
Daniel S. Sanders(3)(4)  
John K. Wulff(2)

**Class II 2009**

James E. Barlett(1)  
David F. Hoffmeister(1)  
Paul H. O Neill(3)(4)

**Class III 2010**

Chinh E. Chu(5)  
Mark C. Rohr(2)(4)  
Farah M. Walters(2)  
David N. Weidman(3)

- (1) Audit Committee
- (2) Compensation Committee
- (3) Environmental, Health and Safety Committee
- (4) Nominating and Corporate Governance Committee
- (5) Resigning effective as of the date of the 2008 Annual Meeting of Shareholders

The Company's Certificate of Designations of 4.25% Convertible Perpetual Preferred Stock dated January 25, 2005 provides that whenever (i) dividends on any shares of the 4.25% convertible perpetual preferred stock of the Company ( Preferred Stock ) or any other class or series of stock ranking on a parity with the Preferred Stock with respect to the payment of dividends shall be in arrears for dividend periods, whether or not consecutive, containing in the aggregate a number of days equivalent to six calendar quarters, or (ii) Celanese fails to pay the redemption price on the date shares of Preferred Stock are called for redemption (whether the redemption is pursuant to the optional redemption provisions or the redemption is in connection with a designated event) then, immediately prior to the next Annual

Meeting of Shareholders, the total number of directors constituting the entire Board will automatically be increased by two and, in each case, the holders of shares of Preferred Stock (voting separately as a class with all other series of other Preferred Stock on parity with the Preferred Stock upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of such two additional directors at the next Annual Meeting of Shareholders and each subsequent meeting until the redemption price or all dividends accumulated on the Preferred Stock have been fully paid or set aside for payment. Directors elected by the holders of the Preferred Stock shall not be divided into the classes of the Board of Directors and the term of office of all directors elected by the holders of Preferred Stock will terminate immediately upon the termination of the right of the holders of Preferred Stock to vote for directors and upon such termination the total number of directors constituting the entire Board will automatically be reduced by two.

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### **Director Independence**

The Board of Directors has adopted a standard of independence for directors. This standard incorporates all of the requirements for director independence contained in the NYSE listing standards. The listing standards of the NYSE require companies listed on the NYSE to have a majority of independent directors. The NYSE listing standards generally provide that a director is independent if the Board affirmatively determines that the director has no material relationship with the Company directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. In addition, a director is not independent if (1) the director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company; (2) the director or a member of the director's immediate family has received more than \$100,000 per year in direct compensation from the Company other than for service as a director or deferred compensation for prior service to the Company; (3) (a) the director or an immediate family member is a partner of the Company's independent auditor, (b) the director is a current employee of such firm, (c) or the director has an immediate family member who is a current employee of the Company's independent auditor and who participates in the firm's audit, assurance or tax compliance practice, or (d) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time; (4) the director or a member of the director's immediate family is, or has been within the last three years, employed as an executive officer of another company where an executive officer of the Company serves or served on the Compensation Committee; or (5) the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other Company's consolidated gross revenues.

In addition, NYSE listing standards include the requirement that we have a Compensation Committee and a Nominating and Corporate Governance Committee that are each composed of entirely independent directors with written charters addressing the committee's purpose and responsibilities and that we evaluate annually the performance of these committees.

The Company reviews each of the directors against the Company's Corporate Governance Guidelines, adopted by the Board, and the independence requirements of the SEC and the NYSE to determine independence. The full text of the Guidelines can be found on the Company's website, [www.celanese.com/index/ir\\_index/ir\\_corp\\_governance.htm](http://www.celanese.com/index/ir_index/ir_corp_governance.htm). The Board considers transactions and relationships between each director or any member of his or her immediate family and the Company and its subsidiaries and affiliates.

The Board has affirmatively determined that Messrs. Barlett, Hoffmeister, McGuinn, O'Neill, Rohr, Sanders and Wulff and Ms. Walters are independent of the Company and its management under the NYSE listing standards.

### **Board Meetings in 2007**

Each of our directors is expected to devote sufficient time and attention to his or her duties and to attend all Board, committee and shareholders' meetings. The Board of Directors held eight meetings and executed eight unanimous written consents in lieu of meetings during 2007. All directors attended at least 75% of the meetings of the Board and of the committees on which they served during the fiscal year ended December 31, 2007. All of our continuing directors attended the Annual Meeting of Shareholders in 2007.

### **Executive Sessions of Non-Management Directors**

The non-management directors convene executive sessions at least quarterly. The director responsible for presiding over the meetings of non-management directors during the period from the 2007 Annual Meeting of Shareholders through the 2008 Annual Meeting of Shareholders was Mr. Hoffmeister. The director responsible for presiding over the meetings of non-management directors during the period from the 2008 Annual Meeting of Shareholders through the 2009 Annual Meeting of Shareholders is Mr. Wulff.

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### **Committees of the Board**

The Board of Directors has standing Audit; Compensation; Environmental, Health and Safety; and Nominating and Corporate Governance Committees. The Executive Committee was disbanded in February 2007.

### **Audit Committee**

The Company's Audit Committee is comprised of Messrs. Hoffmeister (Chairman), Barlett and McGuinn, all of whom the Board has affirmatively determined are independent of the Company and its management under the rules of the NYSE and the Securities and Exchange Commission (the SEC). The Board has also determined that all members of the Committee are independent and financial experts as the term is defined in Item 407(d)(5) of Regulation S-K. The Audit Committee held six formal meetings during 2007. The Board of Directors revised the Audit Committee Charter on November 2, 2006. The complete text of the Audit Committee Charter can be downloaded from the Company's investor relations website, [www.celanese.com/index/ir\\_index/ir\\_corp\\_governance](http://www.celanese.com/index/ir_index/ir_corp_governance).

The responsibilities of the Audit Committee include, but are not limited to:

- Appointment, compensation and oversight of the work of the Company's independent auditors, including approval of all non-audit services;

- Oversight of accounting and reporting practices of the Company and compliance with legal and regulatory requirements regarding such accounting and reporting practices;

- Oversight of the quality and integrity of the financial statements of the Company;

- Oversight of internal control and compliance programs to ensure completeness of coverage, effective use of audit resources, the performance of internal audit and the internal audit department's staffing, budget and responsibilities;

- Reviewing with management the Company's risk assessment and risk management policies and the resulting internal audit plan;

- Reviewing with management and independent auditors the financial statements to be included in the Company's annual report on Form 10-K and the quarterly reports on Form 10-Q, including disclosure under Management's Discussion and Analysis of Financial Condition and Results of Operations;

- Developing general guidelines for earnings releases provided to analysts and rating agencies, and monitors compliance with such guidelines;

- Reviewing significant accounting, auditing and internal control issues;

- Reviewing with management significant accounting policy changes or applicable new accounting or reporting standards;

- Establishing procedures for employee complaints and resolution of such complaints;

- Reviewing and reporting to the Board on any material related party transactions; and



Reviewing the Code of Business Conduct with the chief compliance officer and director of internal audit and monitoring compliance with the business conduct policy, including any investigation and follow up regarding any irregularities.

**Report of the Audit Committee**

The Audit Committee of the Board of Directors assists the Board in fulfilling its oversight responsibilities with respect to the external reporting process and the adequacy of the Company's internal controls. Specific responsibilities of the committee are set forth in the revised Audit Committee Charter adopted by the Board on November 2, 2006.

Company management is responsible for the Company's internal controls and the financial reporting process. The independent registered public accounting firm KPMG is responsible for performing an independent audit of the

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Company's consolidated financial statements and issuing an opinion on the conformity of those audited financial statements with generally accepted accounting principles in the United States. The committee monitors the Company's financial reporting process and reports to the Board of Directors on its findings.

The committee reviewed and discussed with Company management and KPMG the audited financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2007. The committee also discussed with KPMG the matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees), as amended. The committee has received from KPMG the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with KPMG its independence.

The committee has also considered whether the provision to the Company by KPMG of limited non-audit services is compatible with maintaining the independence of KPMG. The committee has satisfied itself as to the independence of KPMG.

Based on the committee's review of the audited consolidated financial statements of the Company, and on the committee's discussion with Company management and with KPMG, the committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

This report was submitted by the Audit Committee,

David F. Hoffmeister, Chairman  
Martin G. McGuinn  
James E. Barlett

## **Compensation Committee**

The Company's Compensation Committee is comprised of Mr. Wulff (Chairman), Mr. Rohr, and Ms. Walters. The Board has determined that all members of the Committee are independent. During 2007, the Compensation Committee held seven formal meetings, received and reviewed packages of relevant materials with respect to compensation issues, and executed five unanimous written consents in lieu of meetings. The Board of Directors revised the Compensation Committee Charter on November 2, 2006. The complete text of the Compensation Committee Charter can be viewed and downloaded from the Company's investor relations website, [www.celanese.com/index/ir\\_index/ir\\_corp\\_governance](http://www.celanese.com/index/ir_index/ir_corp_governance). A description of the Compensation Committee's processes and procedures for determining executive compensation is more fully described in Compensation Discussion and Analysis.

The responsibilities of the Compensation Committee include, but are not limited to:

Review and approval of the compensation of the Company's executive officers;

Review and approval annually of the corporate goals and objectives relevant to the compensation of the CEO, and evaluation of the CEO's performance and compensation in light of such established goals and objectives;

Preparation of a report on executive compensation to be included in the Company's annual proxy statement;

Oversight of the development and implementation of succession plans for the CEO and the other key executives;

Establishment of the compensation policies for the Company consistent with corporate objectives and shareholder interests;

Approval annually of the compensation level for the CEO in accordance with employment and compensation agreements;

Evaluation of the performance of officers other than the CEO;

Review and recommendation of any modifications to Company compensation programs;

Approval of any incentive and equity-based compensation plans of the Company;

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Administration of all plans including stock option, restricted stock and deferred stock plans; and

Review and approval of any modifications to employee retirement plans.

**Compensation Committee Interlocks and Insider Participation**

No member of the Compensation Committee was at any time during 2007 employed as an employee or officer of Celanese Corporation or had any relationship with Celanese Corporation requiring disclosure as a related-party transaction. Mr. Chu served as a member of the Compensation Committee from January 2005 to April 2007 and previously held various offices with the Company and/or its subsidiaries as described below:

Mr. Chu served as Chief Executive Officer of Celanese Corporation in November – December 2004.

Mr. Chu was President of BCP Crystal US Holdings Corporation from March 23, 2004 until December 15, 2004. BCP Crystal US Holdings Corporation is an indirect wholly-owned subsidiary of the Company. Mr. Chu received no compensation for his role as officer of BCP Crystal US Holdings Corporation.

Mr. Chu, was President, Secretary of Crystal US Sub 3 Corp. from September 16, 2004 until January 20, 2005. Crystal US Sub 3 Corp. is an indirect wholly-owned subsidiary of the Company. Mr. Chu received no compensation for his role as officer of Crystal US Sub 3 Corp.

In addition, no executive officer of Celanese Corporation has served on the board of directors or compensation committee of any other entity that has one or more executive officers who served as a member of our board of directors of Compensation Committee during 2007.

**Environmental, Health and Safety Committee**

The Company's Environmental, Health and Safety Committee is comprised of Messrs. O'Neill (Chairman), Sanders and Weidman. The Committee assists the Board in fulfilling its oversight duties, while Company management retains responsibility for assuring compliance with applicable environmental, health and safety laws and regulations. The Environmental, Health and Safety Committee held two formal meetings during 2007. The Board of Directors adopted the Environmental, Health and Safety Committee Charter on November 2, 2006, and the complete text can be viewed and downloaded from the Company's investor relations website, [www.celanese.com/index/ir\\_index/ir\\_corp\\_governance](http://www.celanese.com/index/ir_index/ir_corp_governance).

The responsibilities of the Environmental, Health and Safety Committee include, but are not limited to the oversight and review of:

Status of the Company's environmental, health, and personnel and process safety policies and performance, including activities designed to assure compliance with applicable laws and regulations;

Emerging environmental, health and safety issues and the potential impact on the Company;

Product stewardship practices and use of good science to manage product risks including the safe manufacture, distribution, use and disposal of products;

Advocacy activities and relationships with government and regulatory authorities; and

Policies and programs that promote the Company's social responsibility and sustainability.

### **Nominating and Corporate Governance Committee**

The Company's Nominating and Corporate Governance Committee is comprised of Messrs. Sanders (Chairman), Rohr and O'Neill. The Nominating and Corporate Governance Committee held two formal meetings during 2007 and executed five unanimous written consents in lieu of meetings. The Board of Directors revised the Nominating and Corporate Governance Charter on November 2, 2006, and the complete text can be viewed and downloaded from the Company's investor relations website, [www.celanese.com/index/ir\\_index/ir\\_corp\\_governance](http://www.celanese.com/index/ir_index/ir_corp_governance).

The responsibilities of the Nominating and Corporate Governance Committee include, but are not limited to:

Identifying, screening and reviewing individuals qualified to serve as directors and recommending candidates for nomination for election at the Annual Meeting of Shareholders or to fill Board vacancies;

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Developing and recommending to the Board and overseeing implementation of the Company's Corporate Governance Guidelines;

Overseeing evaluations of the Board;

Recommending to the Board nominees for the Committees of the Board;

Overseeing the implementation and effectiveness of the Company's policies and procedures for identifying and reviewing Board nominee candidates;

Establishing procedures for and administering annual performance evaluations of the Board, individual Board members and their Committees by their membership, which will include an annual self-evaluation of the role and performance of the Board;

Reviewing periodically the size and make-up of the Board and Board Committees and recommending to the Board any appropriate changes;

Overseeing the implementation and effectiveness of the Corporate Governance Guidelines and recommending modifications as appropriate; and

Reviewing and recommending to the Board for approval any changes in the compensation of directors.

**Candidates for the Board**

The Board of Directors and the Nominating and Corporate Governance Committee consider candidates for Board membership suggested by the Board or Nominating and Corporate Governance Committee members, as well as by management and shareholders. The Nominating and Corporate Governance Committee's charter provides that it may retain a third-party executive search firm to identify candidates from time to time.

The Nominating and Corporate Governance Committee has not established any special qualifications or minimum criteria for director nominations; however, the Board's and Nominating and Corporate Governance Committees assessment of a proposed candidate will include a review of the person's judgment, experience, independence, understanding of the Company's business or other related industries and such other factors as the Nominating and Corporate Governance Committee determines are relevant in light of the needs of the Board of Directors. The Nominating and Corporate Governance Committee believes that its nominees should reflect a diversity of experience, gender, race, ethnicity and age. The Nominating and Corporate Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent directors, the need for Audit Committee expertise and the evaluations of other prospective nominees.

The Nominating and Corporate Governance Committee will consider recommendations for director nominees made by shareholders if the individual recommended meets the minimum criteria set forth by the Board in its Corporate Governance Guidelines. Shareholder recommendations should be sent no later than November 27, 2008 to the Corporate Secretary, Celanese Corporation, Board of Directors, 1601 West Lyndon B. Johnson Freeway, Dallas, Texas 75234 and must include detailed information regarding the qualifications of the individual.

The Nominating and Corporate Governance Committee considers individuals recommended by shareholders in the same manner and to the same extent as it considers director nominees identified by other means. The Chairman of the Nominating and Corporate Governance Committee will make exploratory contacts with those nominees whose skills,

experiences, qualifications and personal attributes satisfy those that the Nominating and Corporate Governance Committee has identified as essential for a nominee to possess, as described above. Then, an opportunity will be arranged for the members of the Nominating and Corporate Governance Committee or as many members as can do so to meet the potential nominees. The Nominating and Corporate Governance Committee will then select a nominee to recommend to the Board of Directors for consideration and appointment. Board members appointed in this manner will serve, absent unusual circumstances, until their election by our shareholders at the next annual meeting of shareholders. The Board and the Nominating and Corporate Governance Committee have not received director nominations from any shareholders outside the Board or the Nominating and Corporate Governance Committee.

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**Executive Committee**

The Company's Executive Committee was comprised of Messrs. Chu (Chairman), Weidman and Jenkins prior to its dissolution in February 2007. The Executive Committee was responsible for exercising all of the powers of the Board of Directors during intervals between meetings, except for those powers delegated to other committees of the Board of Directors and powers that may not be delegated to a committee of the Board of Directors under Delaware law. The Executive Committee held no formal meetings, and executed one unanimous written consent in lieu of meetings, during 2007.

**Shareholder Communications with the Board**

The Board of Directors has adopted the following procedure in accordance with the requirements of the SEC for shareholders to communicate with the Board and its members. Shareholders and other parties interested in communicating directly with the non-management directors as a group or the Board may do so by sending their communications to:

Celanese Corporation  
Board of Directors  
1601 West Lyndon B. Johnson Freeway  
Dallas, Texas 75234  
Attn: Corporate Secretary

All shareholder communications received by the Corporate Secretary will be delivered to one or more members of the Board as appropriate, as determined by the Corporate Secretary. Notwithstanding the foregoing, the Corporate Secretary will maintain for the benefit of the Board, for a period of two years following the receipt of any communication, a record of all shareholder communications received in compliance with this policy.

Members of the Board may review this record of shareholder communications upon their request to the Corporate Secretary. In addition, the receipt of any accounting, internal controls or audit-related complaints or concerns will be directed to the Chairman of the Audit Committee.



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**COMPENSATION OF EXECUTIVE OFFICERS**

**Compensation Discussion & Analysis**

***Executive Compensation Overview***

The compensation committee determines our compensation objectives, philosophies and practices. As more fully described in its charter (available online at [http://www.celanese.com/celanese\\_compensation\\_committee\\_charter.pdf](http://www.celanese.com/celanese_compensation_committee_charter.pdf)), the compensation committee's primary duties are to:

establish executive compensation policies consistent with corporate objectives and shareholder interests;

annually review and approve performance measures and targets for executive officers;

review on a periodic basis our executive compensation programs, including any management incentive compensation plans, to determine whether they are appropriate, properly coordinated and achieve their intended purpose, and recommend to the Board any appropriate modification or new plans or programs; and

prepare a report to be included in the Company's annual proxy statement, in accordance with applicable rules and regulations.

The compensation committee is advised on these matters by select members of our senior management as well as an independent compensation consultant retained by the committee.

Our current compensation committee is composed of independent members (as defined by NYSE requirements) that were elected in April 2007. Prior to that time, we were exempt from the NYSE requirement that our compensation committee be composed entirely of independent directors, although a majority of the members of the compensation committee have been independent directors since August 14, 2006.

**Executive Compensation Objectives**

***Legacy Private-Equity Compensation Objectives***

In April 2004, several investment funds managed by Blackstone completed the acquisition of approximately 84% of the ordinary shares of Celanese AG (the predecessor to Celanese GmbH) pursuant to a voluntary tender offer. In October 2004, Blackstone completed an organizational restructuring, following which the Company became the ultimate parent of Celanese AG. In January 2005, Blackstone sponsored an initial public offering, or IPO, of shares of our common stock. As a result of the Blackstone acquisition, restructuring and IPO, the executive officers of the formerly private Celanese AG became executive officers of our public company.

Prior to the IPO, some elements of our compensation structure were specifically designed in a private-equity context to reward financial performance over a 5-year period of time. In particular, our compensation committee designed certain elements of our compensation plans (i) to reward senior management for the successful completion of our organizational restructuring and for the Company's financial performance prior to Blackstone's exit from the Company and (ii) to retain senior management and compensate them for the risks involved in participating in a highly-leveraged private-equity transaction and for the loss of certain compensation programs previously provided by Celanese AG. Such elements included our 2004 deferred compensation plan, which is a non-equity long term incentive plan

providing performance-based compensation for certain executive officers over a period of 5 years following our IPO, and stock option grants under our 2004 stock incentive plan.

*Post-IPO Compensation Objectives*

Following the successful completion of our IPO in 2005, we have sought to modify the compensation programs to permit greater differentiation in annual incentive awards for superior individual performance and to increase the linkage of long-term incentives to shareholder value creation. Going forward, our programs are designed to provide significant variability in annual cash incentives based on individual and Company performance and in long-term incentives based upon total shareholder return. At the same time, the programs are intended to be

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sufficiently competitive to peer companies so as to attract and retain highly qualified personnel. The specific objectives of our compensation policies and programs for named executive officers and other senior officers are to:

provide incentive for individual, business unit and Company performance at or above established short-term and long-term targets;

align individual performance with our Company performance;

increase shareholder value; and

attract, retain and motivate qualified executives critical to our success.

In order to achieve these objectives, we have designed our executive compensation to:

be competitive with our peer companies in executive compensation;

reward performance by linking executive compensation to (i) Company, and when appropriate business unit, performance and (ii) achievement of individual goals;

encourage long-term increases in shareholder value by delivering a significant portion of executive compensation in the form of stock options and other equity-linked instruments; and

align management and shareholder interests by expecting executives to own equity in the Company.

## **Decision-Making Process**

As more fully described in its charter, the compensation committee has responsibility for: (i) the review and approval of corporate goals and objectives relevant to the compensation of our CEO and other executive officers, (ii) the evaluation of the performance of our CEO and other executive officers in light of his or her goals and objectives; (iii) the review and final approval of the compensation of our CEO and other executive officers; (iv) the review and approval of incentive and equity-based compensation plans and all grants of awards under such plans, and (v) the oversight of the succession plans for the CEO and other key employees.

## ***The Role of Consultants in Making Decisions***

In November 2006, the compensation committee retained an independent outside compensation consultant, Pearl Meyer & Partners, to advise the committee in connection with executive compensation matters. During 2007, Pearl Meyer & Partners regularly attended compensation committee meetings as requested by its chair, Mr. Wulff, and reported directly to the compensation committee. During 2007, the committee requested Pearl Meyer & Partners to:

review the composition of our peer group and recommend modifications;

conduct an analysis of executive compensation and assess how target and actual compensation aligned with the Company's executive compensation objectives and philosophies;

provide market data, historical compensation information, internal equity comparisons, practices and recommendations regarding appropriate comparator groups, compensation trends and compensation strategy;

provide recommendations regarding the revised deferred compensation plan offered to certain executive officers;

design stock ownership guidelines for executive officers; and

provide information with respect to levels of executive compensation at comparable companies.

In carrying out these tasks on behalf of the compensation committee, Pearl Meyer & Partners consulted with employees, including the CEO and the Senior Vice President of Human Resources, as necessary and appropriate.

In December 2007, the compensation committee retained Mercer to replace Pearl Meyer & Partners as its outside compensation consultant. In this role Mercer has and will continue to provide the compensation committee

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with market data, historical compensation information, internal equity comparisons, best practices and recommendations regarding appropriate comparator groups, compensation trends and compensation strategy. Mercer does not provide any material services to the Company or its senior management other than those provided in connection with its engagement by the compensation committee.

### ***The Role of Management in Making Decisions***

The compensation committee regularly meets with the CEO and the Senior Vice President of Human Resources to receive reports and recommendations regarding the compensation of our executive officers other than the CEO. In particular, at the commencement of 2007 the CEO submitted recommendations to the committee on the base salary to be offered to each executive officer for 2007. These recommendations were developed in consultation with the Senior Vice President of Human Resources and accompanied by market data prepared by our compensation consultant. In addition, at the meeting of the committee in February 2008, Mr. Weidman submitted recommendations to the committee on the actual payout percentage of the 2007 annual performance bonus award for each executive officer. Such recommendations were based on Mr. Weidman's assessment of (i) such executive officer's contribution to the achievement of the Company's goals and objectives and (ii) such officer's achievement of his or her individual goals and objectives. Mr. Weidman does not make any recommendations to the compensation committee regarding his own compensation. Although the compensation committee considered Mr. Weidman's recommendations, the final decisions regarding both the base salary and the actual payout percentage of the annual performance bonus award of each executive officer were made by the compensation committee.

The compensation committee has also delegated authority to the CEO and the Senior Vice President of Human Resources to make provisional offers of stock option awards under the 2004 stock incentive plan to new hires, promoted employees and new directors, including our named executive officers, up to a maximum of 75,000 options per individual award. Such offers are subject to the approval of the compensation committee at the regularly scheduled compensation committee meeting following the date that such individual is hired, appointed or elected. The awards are not effective until such approval is given.

### ***Determining Executive Compensation at Celanese***

We offer a total executive compensation program that consists of base salary, annual performance bonus awards, long-term incentive compensation, including equity compensation, and other benefits. Our compensation setting process consists of establishing overall target compensation for each executive officer and then allocating that compensation between base salary, performance bonus award and incentive compensation. A significant portion of the total compensation of our CEO and other executive officers is performance-based, and compensation opportunities are designed to create incentives for target and above-target performance, as well as significant consequences for below-target performance, with respect to the achievement of Company and individual goals.

## **Total Compensation**

In reviewing and determining the overall compensation level for each of our executive officers in 2007, the compensation committee considered executive compensation surveys prepared by Pearl Meyer & Partners. The surveys outlined compensation data and practices from a targeted group of peer chemical companies. The compensation committee, with the assistance of Pearl Meyer & Partners, identified the companies to be included in our peer group based primarily on industry, market capitalization, revenue and total shareholder return. In some cases the committee also considered other criteria such as the number of employees at a potential peer company, the complexity of a potential peer company's business, and whether the role and responsibilities of a potential peer company's executive officers were analogous to those of our executive officers.

For 2007, the compensation committee determined that the following group of 11 companies was the appropriate group of peer companies: Airgas, Inc., Albemarle Corporation, Chemtura Corporation, Eastman Chemical Company, FMC Corporation, Huntsman Corporation, Lubrizol Corporation, Nalco Holding Company, PPG Industries, Inc., Rockwood Holdings, Inc., and Rohm & Haas Company.

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We strongly believe that our executive officers should be paid for performance. The committee compares the overall compensation level of similarly situated executive officers at companies within the peer group to amounts paid to our executive officers. If the Company achieves its annual operating budget targets, as set by the board, and an executive officer meets individual performance objectives, the committee's philosophy is to target his or her compensation at or near the 50th percentile of the peer group for base salary, target annual performance bonus awards and total compensation. To the extent that the Company exceeds its annual operating budget targets and an executive officer significantly exceeds individual performance objectives, our compensation program is designed to reward such executive officer by paying compensation in the top quartile of the peer group.

While we do not have a formal annual equity grant program for executive officers, certain of our executive officers received significant grants of long-term incentive awards under the programs implemented by the Company prior to our IPO. As noted previously, the incentive compensation that was granted under these programs was intended to retain and reward senior management for performance during the 6-year period following the acquisition of Celanese AG by Blackstone. In order to more accurately compare the value of these grants to current market practice, the compensation committee has chosen to annualize (i) awards under the 2004 deferred compensation plan and the revised deferred compensation plan over a 6-year period and (ii) any other long-term incentive awards granted between 2005 and 2007 over a 4-year period. The compensation committee believes that this practice reflects an annual amount of long-term incentive compensation that is more closely analogous to the long-term incentive compensation paid to executive officers at our peer companies.

For 2007, the base salary, target annual performance bonus awards, and total compensation (using the annualized value of long-term incentive compensation) of each named executive officer deviated from the median of the peer group as follows:

	<b>Percent Deviation from Peer Group Median(1)</b>		
	<b>Base Salary</b>	<b>Target Annual Performance Bonus</b>	<b>Total Compensation</b>
Mr. Weidman	(12)%	(20)%	11%
Mr. Gallagher	37%	15%	43%
Mr. Sterin	(28)%	5%	(34)%
Mr. Alder	(5)%	27%	13%
Mr. Madden	(9)%	7%	(21)%
Mr. Townsend	(3)%	16%	39%

(1) A comparison of Dr. Cole's compensation was not performed due to his retirement during 2007. A comparison of Mr. O'Dwyer's compensation was not performed due to his resignation for health reasons as Executive Vice President and President, Acetyl Intermediates and Celanese Asia during 2007.

As noted above, our policy is to compensate our executive officers at a level in the top quartile of our peer group when we exceed our annual operating budget targets and such executive officer significantly exceeds his individual performance objectives. During 2007 we achieved a majority of our operating budget targets and Messrs. Gallagher, Townsend and Alder exhibited exceptional business and individual performance. In keeping with our goal of rewarding such results, Messrs. Gallagher, Townsend and Alder received total compensation (including the annualized value of long-term incentive compensation) that deviated from the 75th percentile of our peer group by 7%, 9%, and -13%, respectively.

Although the compensation committee strives to set executive compensation at levels that are competitive with the companies in the peer group, it does not rigidly adhere to a particular target in determining executive compensation. Any executive officer's total compensation may vary from the targets due to various other factors, including Company and business unit performance over the prior year, internal pay equity and particularly strong or weak individual performance over the prior year.

In making its compensation decisions, the compensation committee specifically identified significant appreciation in the price of the Company's stock and total shareholder return that was at the top of the peer group as reasons for setting total compensation at levels above the median for 2007.



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The committee also takes into account additional individual factors when establishing total executive compensation levels, including an executive's position within the Company, level of experience, tenure and responsibilities. The committee also monitors the relationship between the compensation of our CEO and the compensation of our other executive officers and between the compensation of the executive officers and the compensation of our non-managerial employees. While we do not have set parameters regarding the appropriate ratio between such groups, we attempt to ensure that the structure of employee compensation throughout the company is fair, non-discriminatory and forward-looking, and that it motivates, recruits and retains a workforce capable of meeting the Company's strategic objectives.

The base salary and annual bonus award paid to Mr. Gallagher in fiscal 2007 was higher in relation to our peer group than what was paid to our other named executive officers. This is primarily a result of Mr. Gallagher's broad responsibilities and performance as Chief Financial Officer during an important phase in our Company's recent history and his recent transition to his current role as Executive Vice President & President, Acetyl Intermediates and Celanese Asia.

Mr. Sterin's total fiscal 2007 compensation was significantly lower than our other named executive officers, due primarily to his non-participation in the legacy private-equity compensation programs put in place prior to his becoming an executive officer. His base salary and bonus targets for fiscal 2007 were low in relation to our other named executive officers due largely to his relatively short tenure with the Company as Chief Financial Officer. The compensation committee recently recognized the contributions that Mr. Sterin has made in his current role and his value to the Company by approving an increase in his annual base salary of \$45,000.

## **Compensation Mix**

The compensation committee believes that in order to align management interests with shareholder interests, a significant portion of executive compensation should consist of annual performance bonus awards and long-term incentive compensation that are at risk at the time of award. The compensation committee also believes that, consistent with market practice, the CEO's compensation should be more at risk than that of the other executive officers.

## **Other Compensation Considerations**

The Internal Revenue Code, or the Code, generally places a \$1 million annual limit on the tax deductibility of certain compensation paid to the executive officers named in the proxy statement in the year of payment. Some compensation, including performance-based compensation meeting certain requirements, is exempt from such limit. Our compensation plans do not prohibit us from granting awards that are subject to the tax deduction limitation established by Section 162(m) of the Code and, as appropriate, such awards may be made.

The compensation committee will continue to consider steps that might be in the Company's best interests to comply with Section 162(m). However, in establishing the cash and equity incentive compensation programs for the executive officers, the compensation committee believes that the potential deductibility of the compensation payable under those programs should be only one of a number of relevant factors taken into consideration, and not the sole or primary factor. The compensation committee believes that cash and equity incentive compensation must be maintained at the requisite level to attract and retain the executive officers essential to the Company's financial success, even if all or part of that compensation may not be deductible by reason of the Section 162(m) limitation.

We have no specific policies to adjust or recoup prior compensation awards. However, pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, if we are required to restate our financials due to material noncompliance with any financial reporting requirements as a result of misconduct, the CEO and CFO will be required to reimburse us for

(i) any bonus or other incentive-based or equity-based compensation received during the 12 months following the first public issuance of the non-complying document, and (ii) any profits realized from the sale of securities of the Company during those 12 months.

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**Analysis of Compensation Decisions**

The executive officers that constitute our named executive officers for 2007 include:

Mr. David N. Weidman, our Chairman and Chief Executive Officer;

Mr. John J. Gallagher III, formerly Executive Vice President and Chief Financial Officer (from January through July 2007) and currently Executive Vice President and President, Acetyl Intermediates and Celanese Asia;

Mr. Steven M. Sterin, Senior Vice President and Chief Financial Officer (replacing Mr. Gallagher in July 2007);

Mr. James S. Alder, Senior Vice President, Operations and Technical;

Dr. Lyndon E. Cole, formerly Executive Vice President and President, Ticona;

Mr. Douglas M. Madden, Executive Vice President and President, Acetate, AT Plastics and Emulsions & PVOH;

Mr. John A. O Dwyer, formerly Executive Vice President and President, Acetyl Intermediates and Celanese Asia (from January through July 2007) and currently Executive Vice President, Supply Management; and

Mr. Jay C. Townsend, Senior Vice President, Corporate Development.

For our fiscal year which ended December 31, 2007, the principal elements of compensation for each of our named executive officers were base salary, annual performance bonus awards, long-term deferred compensation, non-equity incentive plan payouts, restricted stock unit and stock option awards and retirement benefits. Each of these elements of our compensation program was reviewed by our compensation committee, and where it had the authority to do so, the committee assessed each element in relation to the other elements paid to each executive when making compensation decisions, as more fully described below.

***Base Salary***

We entered into an employment agreement with Mr. Weidman, our Chairman and Chief Executive Officer, in February 2005, in connection with our IPO. The base salary amount payable to Mr. Weidman pursuant to his employment agreement (\$900,000) was set based upon reference to senior executives' salaries at peer companies and private equity portfolio companies, as well as the judgment of the then-existing compensation committee as to the amounts necessary to retain Mr. Weidman, based upon its understanding of the responsibilities of the Chief Executive Officer and the added responsibilities Mr. Weidman would have following the IPO. Mr. Weidman's employment agreement was in effect during all of 2007 and dictated his salary for that period. Mr. Weidman's employment agreement expired on December 31, 2007. After consultation with Pearl Meyer & Partners, the compensation committee decided not to enter into a new employment agreement with the CEO (and generally not enter into new employment agreements with existing executive officers in the future). The committee believes that the primary benefits to the Company of employment agreements are the non-competition and non-solicitation provisions found therein. In order to achieve the benefit of these provisions without incurring the generally negative obligations associated with employment agreements, the committee has decided to offer more limited change-in-control

agreements with non-competition and non-solicitation provisions to each executive officer in the future.

We entered into an employment agreement with Mr. Gallagher in August 2005, in connection with his hiring. The base salary amount payable to Mr. Gallagher pursuant to his employment agreement (\$675,000) was set based upon reference to senior executives' salaries at peer companies, as well as the judgment of the then-existing compensation committee as to the amounts necessary to attract and retain Mr. Gallagher, based upon the compensation committee's understanding of the responsibilities of the Chief Financial Officer of a newly-public company. Mr. Gallagher's employment agreement was in effect during 2007 and dictated his salary for 2007. During 2007, in connection with Mr. Gallagher's transition from Chief Financial Officer of the Company to Executive Vice President and President, Acetyl Intermediates and Celanese Asia and his relocation to Asia, the compensation committee approved an amendment to his employment agreement extending the term of the

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agreement, which was originally scheduled to expire on December 31, 2007, through March 31, 2010. In connection with his transition to this new role, Mr. Gallagher received 120,000 stock options pursuant to the terms of his amended employment agreement.

In March 2007, the compensation committee deemed it appropriate to recognize the outstanding and continued contributions of Mr. Alder to the Company and agreed, in order to ensure his continued retention, to increase his annual base salary for 2007 from \$321,000 to \$350,000 and to increase it by an additional 10% on April 1 of each of the next three years.

The compensation committee reviewed and approved the base salaries for each of the other executive officers in light of market performance, individual performance, and comparison to peer group salaries. After consideration of the total compensation for the named executive officers, the compensation committee decided to increase base salaries in the range of 0% to 25%. Specifically, the compensation committee determined that the base salaries of Messrs. Weidman, Gallagher and O Dwyer were adequate and in line with market practice and therefore should remain constant during 2007; the base salaries of Mr. Alder and Mr. Townsend were increased 9% and 15%, respectively, during 2007 in order to bring their compensation into line with market practice and to ensure their continued retention; and the base salaries of Messrs. Sterin and Madden were increased 25% during 2007 in order to bring their compensation more into line with market practice and to reflect the additional responsibilities placed upon each of them during the year.

### ***Annual Performance Bonus Awards***

Each executive has the opportunity to earn an annual performance bonus based primarily upon our financial performance and the achievement of certain personal and safety objectives.

More specifically, the amount of the annual performance bonus awards for our named executive officers is based upon two elements established by the compensation committee: (1) the achievement by the Company of certain business, financial and safety performance targets and (2) the achievement by the executive officer of personal objectives tailored for such executive. The target annual performance bonus award for Messrs. Weidman, Gallagher and Alder and Dr. Cole was 80% of their base salary and each such individual was eligible to receive an actual annual performance bonus award ranging from 0% - 160% of base salary depending on the Company's achievement of its performance targets (as described below). The target annual performance bonus award for Messrs. Townsend, Madden, Sterin and O Dwyer was 70% of base salary and each such individual was eligible to receive an actual annual performance bonus award ranging from 0% - 140% of base salary depending on the Company's achievement of its performance targets. Once an executive officer's eligible performance bonus award is determined in accordance with the Company's achievement of its performance targets, the actual payout of such bonus award can range from 0%-200% of the eligible amount, based upon such officer's achievement of personal goals and an assessment of the executive officer's overall performance by our CEO (or, in the case of the CEO, the compensation committee). The actual payout percentage for each executive officer (other than the CEO) is recommended to the compensation committee by Mr. Weidman, based on Mr. Weidman's assessment of the satisfactory completion of the various personal objectives. Depending on the Company's achievement of its business, financial and safety performance targets and an executive's individual performance, the actual annual performance bonus award for an executive officer can range from 0% - 320% of base salary (in the case of Messrs. Weidman, Alder, Gallagher and Dr. Cole) or from 0% - 280% of base salary (in the case of Messrs. Townsend, Sterin, Madden and O Dwyer).

The compensation committee reviewed and approved the 2007 annual performance bonus awards for executive officers, substantially as recommended by Mr. Weidman, based upon 2007 Company and business unit results as compared to targets and, in certain cases, modifications for individual performance. In February 2008, the compensation committee awarded the following annual performance bonus amounts: Mr. Weidman \$2,007,870; Mr. Gallagher \$1,170,824; Mr. Sterin \$378,936; Mr. Alder \$780,838; Mr. Townsend \$615,484; Mr. Madden

\$606,875; and Mr. O Dwyer \$466,403.

Pursuant to the terms of his separation agreement, Dr. Cole was paid his 2007 annual performance target bonus of \$560,000 (80% of his then-current base salary).

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In addition to the annual performance bonus awards for our named executive officers discussed above, in an effort to reward Mr. Alder for outstanding contributions to our success and in order to ensure his long-term retention, in March 2007 the compensation committee granted Mr. Alder a one-time retention bonus of \$1,500,000, of which \$500,000 will be payable on January 1, 2010 and \$1,000,000 will be payable on January 1, 2011.

**Company Goals and Objectives**

The annual performance bonus awards for 2007 are based upon the Company's achievement of incremental levels of Operating EBITDA, Trade Working Capital (Accounts Receivable + Inventory - Accounts Payable), and environmental, health and safety (EHS) goals. In each of these performance target areas, there are three incremental performance levels, which levels are referred to internally as threshold, target and stretch target levels. No bonus will be paid unless we exceed the minimum threshold level of Operating EBITDA. Individual performance bonus awards are weighted, 60% based upon achieving Operating EBITDA targets, 30% based upon achieving Trade Working Capital targets and 10% based upon achieving EHS goals. In addition, for executive officers who head business units, Operating EBITDA and Trade Working Capital targets are weighted between Company and business unit performance. As a result, during 2007 the annual performance bonus awards of the following named executive officers were weighted as indicated:

<b>Executive Officer</b>	<b>Business Unit</b>	<b>Weighting</b>
Douglas Madden	Acetate, AT Plastics, Emulsions & PVOH	30% Company/70% Business Unit(1)
John Gallagher(2)	Acetyl Intermediates	30% Company/70% Business Unit

- (1) The portion of Mr. Madden's annual performance bonus award that was dependent upon business unit performance was determined using the weighted average results of each of the Acetate, AT Plastics, Emulsions and PVOH business units.
- (2) Mr. Gallagher's 2007 annual performance bonus award was weighted 100% on Company results for the period during which he served as Chief Financial Officer of the Company and 30% on Company results and 70% of business unit results for the period during which he served as President of our Acetyl Intermediates business unit.

The targets are based on our operating budget as approved by the compensation committee, as adjusted from time to time during fiscal year 2007 for acquisitions and divestitures.

In 2007, the Company attained slightly more than its stretch target of \$1,357 million for Operating EBITDA. We attained slightly more than its stretch target levels for Trade Working Capital for the four quarters of the year (the average for the four quarters was 23.53% of sales for Accounts Receivable plus Inventory and 10.93% of sales for Accounts Payable). We attained slightly above the target of 0.40 for EHS OSHA Incident Rate and slightly below the threshold of 0.08 for EHS Lost Time Injury Rate.

In 2007, Acetate attained a level between its target of \$42.5 million and stretch target of \$46.8 million for Operating EBITDA and attained slightly more than its stretch target levels for Trade Working Capital. In 2007, AT Plastics attained a less than its threshold target of \$32 million for Operating EBITDA and attained slightly more than its stretch target levels for Trade Working Capital. In 2007, Emulsions attained a level between its target of \$5.5 million and stretch target of \$8 million for Operating EBITDA and attained a level between its threshold and target levels for Trade Working Capital. In 2007, PVOH attained a level above its stretch target of \$7.3 million for Operating EBITDA

and attained slightly more than its stretch target levels for Trade Working Capital.

In 2007, Acetyl Intermediates exceeded the stretch target of \$733 million for Operating EBITDA. Acetyl Intermediates attained slightly more than its stretch target levels for Trade Working Capital.

For purposes of calculating annual performance bonus awards the following terms are defined as follows:

Operating EBITDA is defined as operating profit from continuing operations, plus equity in net earnings from affiliates, other income and depreciation and amortization, and further adjusted for other charges and adjustments.



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Trade Working Capital is defined as 3rd party accounts receivable divided by net sales plus inventory divided by net sales minus 3rd party accounts payable divided by net sales.

**Individual Goals and Objectives**

The compensation committee believes that individual performance goals are appropriate instruments for measuring individual contributions to strategic corporate initiatives. Each named executive officer receiving an annual performance bonus award had individual performance goals relating to one or more of the following areas:

Financial performance

Operational effectiveness

Personal development

The primary goals for each named executive officer during fiscal year 2007 were as follows:

*David N. Weidman* successfully execute Asia expansion strategy; drive improvements against peer group in EBITDA, P/E Ratio and volume growth percentage; drive Company-wide performance improvements; assist compensation committee in developing a retention and succession program for senior management; successfully complete divestiture of oxo products and derivatives businesses.

*Lyndon E. Cole* oversee successful launch of certain new products; develop world-class environmental, health and safety organization; achieve all milestones relating to relocation of Kelsterbach, Germany facility.

*John J. Gallagher III* develop and execute a strategy to optimize the capital structure of the Company; utilize technology to improve business planning and analysis process; successfully start up Nanjing, China acetic acid unit.

*James S. Alder* achieve Company safety objectives; manage total Company capital within budget while meeting growth objectives; manage relocation of Kelsterbach, Germany facility within budget; successfully start up Nanjing, China acetic acid unit.

*Jay C. Townsend* complete acquisition, divestiture and integration documentation; complete post-transaction implementation analysis for oxo products and derivatives businesses and Pampa divestitures.

*Douglas M. Madden* successfully complete filter/tow rationalization project; improve use of working capital versus 2006; achieve productivity gains from implementation of quality control programs; complete portfolio assessment and restructuring plan to optimize emulsions footprint.

*Steven M. Sterin* develop and execute a strategy to optimize the capital structure of the Company; utilize technology to improve business planning and analysis process; manage Company-wide resegmentation for internal and external reporting purposes.

*John A. O Dwyer* successfully complete divestiture of oxo products and derivatives businesses; successfully complete Pampa divestiture; successfully start up Nanjing, China acetic acid unit.

The compensation committee determined that each of the named executive officers (except Dr. Cole who retired from the Company during 2007 and who received an actual bonus payout of 80% of his base salary pursuant to his

Separation Agreement) achieved substantially all of his individual performance goals. As a result of the Company's achievement of its business, financial and safety performance targets and each executive's individual

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performance, the compensation committee exercised positive discretion to increase the actual bonus payout of the annual performance bonus awards as follows:

**Fiscal 2007 Annual Performance Target Bonus Awards v. Actual Payouts**

<b>Named Executive Officer</b>	<b>Target Bonus (As % of Base Salary)</b>	<b>Actual Payout (As % of Base Salary)</b>
Mr. Weidman	80%	223.10%
Mr. Gallagher	80%	173.46%
Mr. Alder	80%	223.10%
Dr. Cole	80%	80.00%
Mr. Sterin	70%	114.83%
Mr. Townsend	70%	183.73%
Mr. Madden	70%	151.72%
Mr. O Dwyer	70%	120.36%

In February 2008, the compensation committee determined to increase Mr. Weidman's annual performance bonus target from 80% of his base salary to 100% of his base salary. The compensation committee decided to increase Mr. Weidman's annual performance bonus target in order to bring it into line with the target bonuses of CEOs at companies within our peer group.

***Long Term Incentive Compensation***

Our long-term incentive compensation programs are designed to align the interests of our executive officers with those of our shareholders, drive long-term performance and retain our executive officers. Executive officers who were employed by the Company at the time of the IPO were eligible to participate in certain programs implemented at that time by Blackstone to reward such executive officers for the successful organizational restructuring of the Company and for the Company's financial performance prior to Blackstone's exit. These plans generally expire by 2009 and, as a result, we have implemented other long-term incentive programs in order to ensure the continued success of the Company and the retention of key officers.

**2004 Deferred Compensation Plan**

In December 2004, we adopted a deferred compensation plan for certain executive officers, including the named executive officers. This plan is a non-equity long term incentive plan, providing performance-based compensation for the executive officers and other key employees. The plan was implemented during the period between the Blackstone acquisition of Celanese AG and our IPO. The compensation committee designed this plan to reward our senior management for our successful organizational restructuring, to retain and compensate senior management for the loss of compensation programs previously provided by Celanese AG and to incentivize management to increase profitability and shareholder value.

The awards payable in 2007 under this plan were payable in cash to 25 of our key employees, including certain of our executive officers. All awards under this plan were granted in 2005, and approximately \$69 million of the awards had been paid to the named executive officers as of December 31, 2007. The awards consist of three distinct types of awards:

Awards granted and fully earned at the time of grant in 2005.

Service-based awards, that were granted in 2005 and that would be earned based on continued service and the occurrence of an Exit Event, which is generally defined as a sale by Blackstone of at least 90% of its equity interest in our Company. The Exit Event occurred during 2007, and as a result, all service-based awards with a service period ending on or before December 31, 2007 were earned and either paid or deferred in 2007. The remaining service-based awards are eligible for vesting, subject only to the continued service of the executive as of specified dates through March 31, 2009. Because the performance criterion of an Exit Event was satisfied in 2007, and the only remaining criterion for these awards is continued employment, for

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reporting purposes in our summary compensation table the non-vested service-based awards are also reported as earned in 2007.

Performance-based awards, that were granted in 2005 and that would be earned only upon the later of (i) achieving our specified annual performance targets on specified dates from December 31, 2005 through December 31, 2008 and (ii) the occurrence of an Exit Event, subject to the requirement that the executive be continually employed until the later of such dates. As a result of the our achievement of the Company's annual performance targets and the occurrence of the Exit Event in 2007, all of the performance-based awards with respect to which the performance target dates had been satisfied on or before December 31, 2007 were earned in 2007, and the remainder is now only subject to attaining specified performance targets through December 31, 2008. If such performance targets are satisfied, the remaining performance-based awards will be earned in 2008.

While the 2008 performance-based awards remained subject to this performance condition, the cumulative catch-up provisions of the deferred compensation plan provide that on December 31, 2008, the performance targets will be deemed to have been achieved with respect to each performance period, if the cumulative performance target for the entire period (2005-2008) is met. As a result of the Company's strong performance against the targets in 2005 and 2006 and the expected performance against the targets in 2007, the achievement of the cumulative targets and payment of the full 2008 awards was highly probable at the time that the revised deferred compensation plan was adopted.

**Revised Deferred Compensation Plan**

In March 2007, in order to ensure the retention of key employees following the end of the deferred compensation plan, our compensation committee and Board of Directors approved a revised deferred compensation plan. Under this revised program, participants in the original deferred compensation plan were provided with an election to relinquish their 2007-2009 potential payouts and to substitute a deferred cash compensation award in an amount equal to 90 percent of the maximum potential payout, which deferred cash compensation award will vest and become payable at the end of 2010 based solely on continued employment, rather than performance targets. The award will be subject to periodic adjustments to reflect the performance of certain notional investment options available to each participant. Each electing participant also received an award of performance-based restricted stock units, or RSUs, with an initial target value equal to 25 percent of the new deferred cash compensation award. Each award of RSUs generally vests based upon the achievement of Total Shareholder Return performance targets as compared to peer companies during the period from April 1, 2007 through December 31, 2010, according to the following schedule:

<b>Company TSR Compared to Peer TSR</b>	<b>% of RSUs Vesting</b>
Below 25 <sup>th</sup> Percentile	0.00%
At 25 <sup>th</sup> Percentile	66.67%
Between 25 <sup>th</sup> and 50 <sup>th</sup> Percentile	Interpolate
At 50 <sup>th</sup> Percentile	83.33%
Between 50 <sup>th</sup> and 75 <sup>th</sup> Percentile	Interpolate
At or Above 75 <sup>th</sup> Percentile	100.00%

The compensation committee made this revised plan available to executives and employees in an effort to encourage the continued employment with the Company of the participants in the original deferred compensation plan. If those individuals remain employed through December 31, 2010, they will receive cash compensation and RSUs in exchange for the amounts they would have potentially earned under the original plan. In combination, these benefits offer a

greater potential return than the original plan.

Mr. Gallagher and Dr. Cole are the only named executive officers who did not make the optional election to defer their payouts under the original deferred compensation plan and participate in the revised deferred compensation plan. Mr. Sterin was not a participant in the 2004 deferred compensation plan and therefore was not eligible to participate in the revised deferred compensation plan.

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The table below reflects the amounts payable to the named executive officers under (i) the deferred compensation plan, including the initial payment in 2005, the amounts earned in 2007 (whether paid or deferred) and the amounts payable if continued service criteria and performance targets are met and (ii) the replacement deferred compensation plan.

**Awards under Deferred Compensation Plan  
or Replacement Deferred Compensation Plan**

Executive	Awards Earned & Paid in 2005	Awards Earned in 2007 upon Occurrence of Exit Event(1)	Awards		Awards Earned but Deferred in 2007 Pursuant to Replacement Plan(3)	RSU Awards Granted in Connection with Replacement Plan	Total
			Earned in 2007 upon Satisfaction of 2007 Performance Criteria(2)	Remaining Performance Based Awards			
Mr. Weidman	\$ 7,565,602	\$ 26,331,558			\$ 15,793,816	\$ 3,444,002	\$ 53,134,978
Mr. Gallagher	725,000	3,958,000	3,040,000	3,002,000			10,725,000
Mr. Sterin							
Mr. Alder	922,176	3,209,572			1,925,118	419,787	6,476,653
Mr. Townsend	1,058,795	3,685,062			2,210,321	482,005	7,436,183
Mr. Madden	725,787	2,526,050			1,515,139	330,395	5,097,371
Dr. Cole	3,048,304	10,609,416	3,463,387				17,121,107
Mr. O Dwyer	1,024,640	3,567,000			2,261,782	388,690	7,242,112

- (1) This column includes all performance-based awards for which performance criteria were satisfied in 2005 and 2006, as well as all service-based awards for 2005-2009 (as the only remaining criterion for the service-based awards is continued employment through December 31, 2008).
- (2) This column includes all performance-based awards for which performance criteria were satisfied in 2007, after the occurrence of the Exit Event.
- (3) This amount represents awards that were earned in 2007 (included in the column titled #Awards Earned in 2007 upon Occurrence of an Exit Event#) but deferred under the replacement deferred compensation plan, subject only to continued employment through December 31, 2010.

The awards earned based upon satisfaction of 2007 performance criteria, as well as the remaining performance based awards held by Mr. Gallagher and Dr. Cole based on 2008 performance criteria were, or will be, awarded based on the satisfaction of specified performance targets, including EBITDA and free cash flow targets for 2007 and 2008. These performance targets were set at the time of our IPO and require the achievement of specified EBITDA and free cash flow levels (with two levels of target achievement, Tier I and Tier II, within each performance target). In determining the amount of the award for each year, the target amounts are allocated to Tier I and Tier II EBITDA at 33.5% each, and Tier I and Tier II free cash flow at 16.5% each.

Pursuant to the terms of the plan, EBITDA and free cash flow targets are adjusted periodically by the committee to reflect changes in the Company's operations resulting from acquisitions, divestitures and other events.





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The following table describes the adjusted performance targets for 2006 and 2007. The actual results for EBITDA are calculated in accordance with the definition of EBITDA in our Credit Agreement dated as of April 6, 2004, and as revised in our current Credit Agreement dated as of April 2, 2007, except that any favorable reserve reversals or any extraordinary or non-recurring gains are not included unless such reserve or gain adjusts an expense that occurred and impacted Adjusted EBITDA during 2007. Actual results for free cash flow are calculated using EBITDA, as defined above, less capital expenditures (as defined under GAAP), plus or minus changes in trade working capital, minus cash outflows from special charges and restructuring costs (not included in special charges or included in purchase accounting) plus cash recoveries associated with expenses recognized after January 1, 2005, in each case without duplication. (Performance targets in \$ millions)

	2006		2007		Cumulative Performance Results for 2005 through 2007		
	Target	Stretch	Target	Stretch			
	Actual	Tier I	Tier II	Actual		Tier I	Tier II
Adjusted EBITDA	1,300	1,121	1,221	1,335	1,075	1,175	3,781
Total Free Cash Flow	910	806	964	905	771	901	2,628

Notwithstanding the annual performance targets as described above, performance targets for December 31, 2007 will be deemed to have been achieved if, on December 31, 2008, the cumulative performance targets for all performance condition dates have been achieved through December 31, 2008.

For purposes of calculating payments under the deferred compensation plan the following terms are defined as follows:

Adjusted EBITDA is defined in the Credit Agreement, dated April 2, 2007, among Celanese Holdings, LLC, Celanese US Holdings, LLC, the subsidiaries of Celanese US Holdings LLC from time to time party thereto as borrowers, the Lenders party thereto, Deutsche Bank AG, New York Branch, as administrative agent and as collateral agent, Merrill Lynch Capital Corporation as syndication agent, ABN AMRO Bank N.V., Bank of America, N.A., Citibank NA, and JP Morgan Chase Bank NA, as co-documentation agents (as filed with the SEC on Current Report on Form 8-K on April 5, 2007).

Free Cash Flow is defined as cash flow from operations excluding cash used in discontinued operations less capital expenditures and further adjusted for other charges and adjustments.

**2004 Stock Incentive Plan**