Section 1: 8-K (8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

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

Date of Report (Date of earliest event reported): April 8, 2019 (April 5, 2019)

Celanese Corporation
(Exact name of registrant as specified in its charter)

Delaware 001-32410 98-0420726
(State or other jurisdiction (Commission (I.R.S. Employer
of incorporation) File Number) Identification No.)

222 W. Las Colinas Blvd., Irving, Texas 75039
(Address of principal executive offices) 75039

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

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).
Emerging growth company □

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. □
On April 5, 2019, the Board of Directors (the “Board”) of Celanese Corporation (the “Company”) elected Ms. Lori J. Ryerkerk as Chief Executive Officer and President of the Company, and intends to elect Ms. Ryerkerk as a director of the Company, in each case effective as of May 1, 2019. Mark C. Rohr, who has served as Chairman, Chief Executive Officer and President of the Company since April 2012, will continue to serve as a director and has been elected as the Company’s Executive Chairman effective as of May 1, 2019. As Executive Chairman, Mr. Rohr will serve as Chairman of the Board of Directors and will have the other duties and responsibilities set out in the Company’s corporate governance guidelines. He will remain focused on guiding the strategic options to unlock value for Celanese stockholders and overseeing the achievement of the Company’s 2020 growth strategy, while working closely with Ms. Ryerkerk to ensure a seamless transition.

Ms. Ryerkerk most recently served as Executive Vice President, Global Manufacturing of Royal Dutch Shell (“Shell”), from October 2013 through September 2018, where she was responsible for all Shell Refining and Chemical assets globally, both Shell operations and joint ventures, with a total crude oil processing capacity of 3.1 million barrels per day and chemical sales volume of 17 million tonnes per year. From May 2010 until October 2013, Ms. Ryerkerk was Shell’s Regional Vice President Manufacturing, Europe and Africa. Prior to joining Shell, Ms. Ryerkerk held leadership roles with ExxonMobil Corporation and Hess Corporation. She has lived and worked in the U.S., Asia and Europe. Ms. Ryerkerk received her B.S. in chemical engineering from Iowa State University. Ms. Ryerkerk is also a director of Axalta Coating Systems Ltd., a leading global coatings provider, and has been such since October 2015.

Ms. Ryerkerk and the Company have entered into a letter agreement dated as of April 5, 2019 describing certain terms of her employment, including base salary, target annual performance bonus opportunity, a long-term incentive award and inducement equity awards, all as further described below.

As Chief Executive Officer, Ms. Ryerkerk will receive an annual salary of $950,000. Pursuant to the Company’s 2019 Annual Performance Bonus Plan, Ms. Ryerkerk will have an opportunity to earn an annual cash incentive award for 2019 based on the same design as other senior executives with a target value equal to 100% of her eligible earnings, subject to company and personal performance. Ms. Ryerkerk will also be eligible for a long-term incentive award for 2019 to be granted pursuant to the terms of the Company’s 2018 Global Incentive Plan under the Company’s 2019 Long-Term Incentive Plan in the form of performance-vesting restricted stock units (70%) and time-vesting restricted stock units (30%), similar to the Company’s other senior executives. The payout of the performance-vesting award will be based on Company performance during the 2019-2021 performance period (vesting February 15, 2022), and the time-vesting award will vest 33% on February 15, 2020, 33% on February 15, 2021 and 34% on February 15, 2022. Ms. Ryerkerk’s 2019 annual award will have an aggregate grant date fair value of $3,000,000. In addition, as an inducement to Ms. Ryerkerk accepting the position of Chief Executive Officer and to further align her interests with those of our stockholders, she will be entitled to a sign-on time-vesting restricted stock unit award pursuant to the 2018 Global Incentive Plan having a grant date fair value equal to $2,000,000, and vesting 50% on each of the two anniversaries of the grant date. Her equity awards will be granted as of the later of her start date or May 1, 2019 and will be subject to the current CEO-level stock ownership guidelines. Ms. Ryerkerk will also receive a one-time sign-on bonus of $35,000 to help with her relocation. Like other Company executives, Ms. Ryerkerk will execute as of her start date a claw back agreement and a restrictive covenant agreement with the Company regarding protection and non-disclosure of confidential information and containing non-competition, non-solicitation and no hire covenants.

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

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

Ms. Ryerkerk, age 56, has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K, has no arrangement or understanding between her and any other person required to be disclosed.
pursuant to Item 401(b) of Regulation S-K, and has no family relationships required to be disclosed pursuant to Item 401(d) of Regulation S-K.

A copy of Ms. Ryerkerk’s letter agreement is filed herewith as Exhibit 10.1 and incorporated herein by reference. The foregoing summary of the letter agreement is qualified in its entirety by reference to such agreement.

On April 5, 2019, the Compensation and Management Development Committee approved adjustments to Mr. Rohr’s compensation, effective May 1, 2019, to reflect his move to the Executive Chairman role. Base salary will be reduced from an annual rate of $1,155,000 to $680,000, and the target bonus under the Company’s annual incentive plan will be reduced from 135% of eligible earnings to 100%. In February 2019, while the confidential succession planning was in progress, the Committee awarded a time-vesting RSU to Mr. Rohr with a grant date value of $4,000,000, approximately half of the grant date value of his 2018 award amount in the prior year.

**Item 7.01 Regulation FD Disclosure.**

On April 8, 2019, the Company issued a press release announcing Mr. Mark C. Rohr’s appointment as the Company’s Executive Chairman and Ms. Lori J. Ryerkerk’s appointment as the Company’s Chief Executive Officer and President, and as a future member of the Board, effective as of May 1, 2019. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

*The information furnished pursuant to this Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.*

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description</th>
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<tbody>
<tr>
<td>10.1</td>
<td>Letter Agreement, dated April 5, 2019, between Celanese Corporation and Lori J. Ryerkerk.</td>
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April 5, 2019

Ms. Lori Ryerkerk

Dear Lori:

On behalf of Celanese, I am pleased to confirm our offer for the position of Chief Executive Officer and President of Celanese Corporation. You will be required to devote your full time and attention to this position, and you will be required to relinquish any other employment other than non-executive Board positions. Your position will be based in Irving, TX and is expected to commence no later than May 1, 2019.

**Base Salary** (delineated in USD)
Your base salary will be $950,000 per year and will be payable on a bi-weekly basis in accordance with the Company’s normal payroll practice.

**Annual Bonus**
As the CEO, you will be eligible to participate in the Company’s annual executive incentive plan. Our bonus plan uses both financial and non-financial measures and your personal performance to determine your actual bonus payout each year. For 2019, your annual bonus opportunity at target will be 100% of your eligible wages (the “Target”), with a “Stretch” opportunity for business performance of up to 200% of your eligible wages. A personal performance modifier also allows for an additional adjustment between 0% and 150% of your planned bonus payout to reflect your individual performance relative to your annual objectives. Accordingly, the absolute maximum payout for the annual bonus would be 300% of your eligible earnings.

For 2019, you will be eligible for a pro-rata bonus, based on actual Company and individual performance. You must be employed by Celanese at the time, in general, such bonus payments are made in March of the following year, to remain eligible to receive the bonus payout.

**Long-Term Incentive Awards**
Celanese currently delivers Long-Term Incentive (LTI) compensation to select employees through annual grants of equity awards. Annual LTI awards are planned to occur in the first quarter of each calendar year. Each year, the Compensation and Management Development Committee of the Board of Directors evaluates the level of awards and the mix among various stock-based vehicles. As
CEO, your target LTI grant value will be $3,000,000. For the 2019 compensation cycle, you will be granted a $3,000,000 award per the current LTI plan design for Executive Officers that includes 70% Performance-Based Restricted Stock Units (Performance-Based RSUs) and 30% Time-vesting Restricted Stock Units (Time-vesting RSUs).

**Initial Equity Award**

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

Time-vesting Restricted Stock Units (Time-vesting RSUs): You will receive an award of Time-vesting RSUs having a grant date fair value equal to $2,000,000 that will vest 50% each year on the first two anniversaries of the grant date. Once vested, the after-tax portion of these shares will be required to be held until the CEO stock ownership guideline has been met, as described later in this document.

The Compensation Committee will approve this award, subject to your acceptance of this letter, with the grant date to be the later of your start date or May 1, 2019. The complete terms of your initial award will be included in an award agreement sent to you after the grant date. You will be required to sign an appropriate award agreement and the Celanese LTI Claw-back agreement in order to receive the award.
**Sign-on Bonuses**
You will receive a one-time Sign-on Bonus cash payment in the amount of $35,000 less applicable deductions, which is payable through our normal payroll process within thirty (30) days of your start date. Should you voluntarily end your employment with Celanese for any reason within two (2) years of your start date, Celanese reserves the right to seek full repayment of the Sign-on Bonus.

**Retirement**
You will be eligible for retirement once you have reached the age of 65 and have at least 10 years of service with the Company per company policy. Your long-term incentive award agreements will include retirement provisions that will include the following vesting provisions: (1) A prorated number of PRSUs, based on time worked and plan earnings schedule, will vest, subject to adjustment for the achievement of performance metrics, on the original grant vesting schedule. (2) A prorated number of time-vested RSUs, based on time worked, will vest on the original grant vesting schedule.

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

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

Please note that these benefits are paid only if there is a change in control and the covered executive is terminated (i.e. “double-trigger”). The protection period of the termination covers two years following a change in control or following the first public announcement of a potential change in control transaction.

**Stock Ownership Guidelines**
In order to align our executives’ interests with those of our shareholders, Celanese expects senior leaders to maintain equity ownership in the Company commensurate with their position. You will be subject to stock ownership guidelines applicable to your position as in effect from time to time. The current CEO stock ownership guideline is equal to a value of 6 times your annual base salary and you will have five (5) years to meet the guideline. In computing compliance with our stock ownership guidelines, sixty percent (60%) of the value of any unvested Restricted Stock Unit awards (time- or performance-vested) granted to you that vest during the next year, as well as one hundred percent (100%) of any Celanese stock that you beneficially own in your various Company and individual accounts, will be included.

**Employee Benefits**
During your employment, you will be entitled to participate in the Company’s employee benefit plans as in effect from time to time, on the same basis as those benefits that are generally made available to other employees of the Company. We offer medical and dental coverage, group life insurance (1 times annual base pay), and a retirement savings plan that includes company contributions of up to 11% (comprised of 401(k) matching contributions of 100% on the first 6% of the employee’s contributions plus a 5% company retirement contribution), subject to IRS code restrictions.

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

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

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

Background Check & Drug Screen
This offer of employment is contingent upon the satisfactory completion of a third-party background check and pre-employment examination including tests for substance abuse. If both tests are not satisfactorily completed, the offer will be rescinded. It is noted that the background check has already been satisfactorily completed.

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

Terms & Conditions of Employment
This offer letter constitutes the full terms and conditions of your employment with the Company. It supersedes any other oral or written promises that may have been made to you.
Lori, we are most enthusiastic about your joining the team. If these provisions are agreeable to you, please sign the copy of this letter and return it to Shannon Jurecka in the self-addressed envelope no sooner than __________ , 2019.

Sincerely,

Mark Rohr
Chairman

Kathryn Hill
Celanese Compensation Committee Chair

Acknowledgment of Offer:
(Please check one)

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

☐ I decline your offer of employment.

Signature: /s/ Lori J. Ryerkerk Date: 5 April 2019

Anticipated Start Date: May 1, 2019

Review and approved:

__________ Shannon Jurecka, SVP, Human Resources

__________ Lynne Puckett, SVP & General Counsel

Section 3: EX-99.1 (EXHIBIT 99.1)
Mark Rohr to Become Executive Chairman of the Board; 
Lori Ryerkerk to Become Chief Executive Officer

DALLAS - April 8, 2019 - Celanese Corporation (NYSE: CE), a global chemical and specialty materials company, today announced that Mark Rohr, Chairman and Chief Executive Officer (CEO), will assume the position of Executive Chairman of Celanese’s Board of Directors. After an extensive search, the Board has selected Lori Ryerkerk to succeed Rohr as CEO. The appointments are effective May 1, 2019 and at that time Ryerkerk will also join Celanese’s Board.

In Rohr’s Executive Chairman role, he will remain focused on guiding the strategic options to unlock value for Celanese shareholders and overseeing the achievement of the company’s 2020 growth strategy, while working closely with Ryerkerk to ensure a seamless CEO transition.

Ryerkerk is an accomplished global executive, bringing to Celanese an impressive track record of creating value at large international corporations. Throughout her 35-year career, she has held a variety of senior leadership roles at petrochemicals and refining businesses in the United States, Europe, and Asia. Ryerkerk most recently served as Executive Vice President of Global Manufacturing of Royal Dutch Shell where she was responsible for all chemical and refining assets globally and led an organization of 30,000 employees and contractors. Before joining Shell in 2010, Ryerkerk worked for ExxonMobil for 24 years where she held positions of increasing responsibility in management, strategy and operations, and at Hess Corporation. Ryerkerk earned a B.S. degree in chemical engineering from Iowa State University.

“Lori’s extensive experience in leading global operations and managing some of the most complex technologies, engineering and supply chain systems in the world complement the opportunities before us to advance our rapid growth and continue our global expansion to satisfy our business objectives. Beyond this, Lori is a skilled international leader who is passionate about developing talent in a high-performing inclusive culture. Her leadership capabilities and diverse experience are a perfect fit to what we have built at Celanese. I welcome Lori to the team and look forward to working closely with her to execute on our growth strategy,” said Rohr.

“I am very excited to join the Celanese team and get to know and work with all of its employees. I have long admired the company for its focus on execution and commercial innovation as well as its unwavering commitment to safety and environmental stewardship,” said Ryerkerk. “Mark and the team have built a tremendous company culture and I will be building on the company’s strong performance momentum and continuing to drive growth and shareholder value.”

About Celanese

Celanese Corporation is a global technology leader in the production of differentiated chemistry solutions and specialty materials used in most major industries and consumer applications. Our businesses use the full breadth of Celanese’s global chemistry, technology and commercial expertise to create value for our customers, employees, shareholders and the corporation. As we partner with our customers to solve their most critical business needs, we strive to make a positive impact on our communities and the world through The Celanese Foundation. Based in Dallas, Celanese employs approximately 7,700 employees worldwide and had 2018 net sales of $7.2 billion. For more information about Celanese Corporation and its product offerings, visit www.celanese.com or our blog at www.celaneseblog.com.
Forward-Looking Statements
This release may contain “forward-looking statements,” which include information concerning the company’s plans, objectives, goals, strategies, future revenues or performance, capital expenditures and other information that is not historical information. When used in this release, the words “outlook,” “forecast,” “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements are based upon current expectations and beliefs and various assumptions. There can be no assurance that the company or its customers will realize these benefits or that these expectations will prove correct. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained in this release, including with respect to the acquisition. Numerous factors, many of which are beyond the company’s control, could cause actual results to differ materially from those expressed as forward-looking statements. Other risk factors include those that are discussed in the company’s filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made, and the company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.