

WESTLAKE CHEMICAL CORP
Form DEF 14A
April 16, 2012

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

SCHEDULE 14A

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

WESTLAKE CHEMICAL 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)(1) 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:

WESTLAKE CHEMICAL CORPORATION

2801 Post Oak Blvd.

Houston, Texas 77056

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 23, 2012

To the Stockholders:

The annual meeting of stockholders of Westlake Chemical Corporation (the Company or Westlake) will be held at the Westlake Center Annex, 2801 Post Oak Blvd., Houston, Texas 77056, on Wednesday, May 23, 2012 at 9:00 a.m. local time for the following purposes:

- (1) To elect the two members of the Board of Directors named in the Proxy Statement for the terms described in the Proxy Statement;
- (2) To ratify the appointment of PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2012; and
- (3) To act upon any other matters that may properly come before the annual meeting.

The Board of Directors has fixed the close of business on April 5, 2012 as the record date for the determination of stockholders entitled to notice of and to vote at the annual meeting.

All stockholders are requested to be present in person or by proxy. For the convenience of those stockholders who do not expect to attend the annual meeting in person and desire to have their shares voted, a form of proxy and an envelope, for which no postage is required, are enclosed. You may also vote by the Internet or telephone. Any stockholder may revoke the proxy for any reason and at any time before it is voted.

Please complete, sign, date and mail promptly the accompanying proxy card in the return envelope furnished for that purpose, whether or not you plan to attend the annual meeting.

Voting by the Internet or telephone is fast, convenient and your vote is immediately confirmed and tabulated. By using the Internet or telephone you help the Company reduce postage and proxy tabulation costs.

Please do not return the enclosed proxy if you are voting over the Internet or by telephone.

VOTE BY INTERNET

VOTE BY TELEPHONE

American Stock Transfer & Trust Company

American Stock Transfer & Trust Company

<http://www.voteproxy.com>

1-800-PROXIES via touch tone

phone toll-free

24 hours a day/7 days a week

24 hours a day/7 days a week

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern time on May 22, 2012. Have your proxy card in hand when you access the Web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern time on May 22, 2012. Have your proxy card in hand when you call and then follow the instructions.

Your cooperation is appreciated, since a majority of the common stock must be represented, either in person or by proxy, to constitute a quorum for the conduct of business.

By Order of the Board of Directors

Stephen Wallace

Vice President, General Counsel and Secretary

Dated: April 16, 2012

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 23, 2012.

This Proxy Statement, our annual report to stockholders, and other proxy materials are available on our Web site at www.westlake.com/report2012 and www.westlake.com/proxy2012.

WESTLAKE CHEMICAL CORPORATION

2801 Post Oak Blvd.

Houston, Texas 77056

PROXY STATEMENT

For Annual Meeting of Stockholders To Be Held on May 23, 2012

GENERAL MATTERS

This Proxy Statement and the accompanying form of proxy are being furnished to the stockholders of Westlake Chemical Corporation (the Company or Westlake) on or about April 16, 2012 in connection with the solicitation of proxies by our Board of Directors for use at the annual meeting of stockholders to be held on Wednesday, May 23, 2012 at 9:00 a.m. local time at the Westlake Center Annex, 2801 Post Oak Blvd., Houston, Texas 77056, and any adjournment of the annual meeting.

The following matters will be acted upon at the annual meeting:

- (1) To elect the two members of the Board of Directors named herein for the terms described herein;
- (2) To ratify the appointment of PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2012; and
- (3) To act upon any other matters that may properly come before the annual meeting.

Our Board of Directors does not know of any other business to be brought before the annual meeting, but if any other business is properly brought before the annual meeting, proxies will be voted upon those matters in accordance with the judgment of the person or persons acting under the proxies.

The accompanying Notice of Annual Meeting of Stockholders, this Proxy Statement and the form of proxy are being first sent to stockholders on or about April 16, 2012.

All shares represented by proxies received will be voted in accordance with instructions contained in the proxies. The Board of Directors recommends a vote:

- (1) FOR the nominees for director listed in these materials and on the proxy; and

- (2) FOR the ratification of the appointment of the Company's independent registered public accounting firm.

In the absence of voting instructions to the contrary, shares represented by validly executed proxies will be voted in accordance with the foregoing recommendations. A stockholder giving a proxy has the power to revoke it at any time before it is voted by providing written notice to the Secretary of the Company, by delivering a later-dated proxy, or by voting in person at the annual meeting.

Only stockholders of record at the close of business on April 5, 2012, also referred to as the record date, will be entitled to vote at the annual meeting. At the close of business on the record date, there were 66,618,178 shares of common stock, par value \$0.01 per share, outstanding, which represent all of the voting securities of the Company. Each share of common stock is entitled to one vote. Stockholders do not have cumulative voting rights in the election of directors.

Edgar Filing: WESTLAKE CHEMICAL CORP - Form DEF 14A

A majority of the common stock entitled to vote at the annual meeting, present either in person or by proxy, will constitute a quorum. Abstentions and broker non-votes will be counted as present for purposes of determining whether there is a quorum present at the meeting. Shares held by a broker or other nominee as to which they have not received voting instructions from the beneficial owners and lack the discretionary authority to vote on a particular matter are called broker non-votes. Under the rules of the New York Stock Exchange, the election of directors is not considered a routine matter and, therefore, your broker will not have the

discretionary authority to vote your shares on that matter if you have not given your broker specific instructions as to how to vote. Please be sure to give specific instructions to your broker. Directors are elected by a plurality of the votes cast. Abstentions will not be included in the total of votes cast and will not affect the outcome of the vote. The affirmative vote of a majority of the votes cast at the annual meeting, either in person or by proxy, is required for the approval of the proposal to ratify the appointment of PricewaterhouseCoopers LLP. Abstentions on the proposal to ratify the appointment of PricewaterhouseCoopers LLP will not be included in the total of votes cast and will not affect the outcome of the vote.

In addition to mailing this material to the stockholders, the Company has asked banks and brokers to forward copies to persons for whom they hold common stock of the Company and request authority for execution of the proxies. The Company will reimburse the banks and brokers for their reasonable out-of-pocket expenses in doing so. Officers and employees of the Company may, without being additionally compensated, solicit proxies by mail, telephone, facsimile or personal contact. All proxy-soliciting expenses will be paid by the Company in connection with the solicitation of votes for the annual meeting. The Company has engaged American Stock Transfer & Trust Company to tabulate voting results.

INFORMATION REGARDING BOARD OF DIRECTORS

INDEPENDENCE OF DIRECTORS

As of April 1, 2012, TTWF LP, our principal stockholder, owned 69.1% of the outstanding common stock of the Company. Under the corporate governance rules of the New York Stock Exchange, we are considered to be controlled by TTWF LP. As a controlled company, we are eligible for exemptions from provisions of these rules requiring a majority of independent directors, nominating and governance and compensation committees composed entirely of independent directors and written nominating and governance and compensation committee charters addressing specified matters. We have elected to take advantage of certain of these exemptions. In the event that we cease to be a controlled company within the meaning of these rules, we will be required to comply with these provisions after the specified transition periods.

Our Board of Directors has determined, after considering all of the relevant facts and circumstances, that Messrs. E. William Barnett, Robert T. Blakely, Max L. Lukens and H. John Riley, Jr. are independent from our management, as independence is defined by the rules and regulations of the Securities and Exchange Commission (SEC) and the listing standards of the New York Stock Exchange. This means that none of these directors has any direct or indirect material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us and that none of the express disqualifications contained in the New York Stock Exchange rules applies to any of them.

EXECUTIVE SESSIONS

The Company's governance guidelines require that non-management directors meet at regularly scheduled executive sessions without management. At these meetings of non-management directors, the non-management directors have decided that the non-management director that presides over the meeting will rotate among the non-management directors.

Since one of the non-management directors is not independent, the Company's governance guidelines require that the independent directors meet at least once a year. At these meetings of independent directors, the independent directors have decided that the independent director that presides over the meeting will rotate among the independent directors.

Stockholders and other interested parties may communicate with the non-management directors or the independent directors in the manner described under Communications with Directors below.

COMMITTEES OF THE BOARD OF DIRECTORS

The Audit Committee

The Audit Committee of the Board of Directors is comprised of Robert T. Blakely (chairman), E. William Barnett, Max L. Lukens and H. John Riley, Jr. All current Audit Committee members are independent as defined by the listing standards of the New York Stock Exchange and Section 10A(m)(3) of the Securities Exchange Act of 1934. The board has determined that each of Messrs. Blakely, Lukens and Riley is an audit committee financial expert as that term is defined by SEC regulations. The primary functions of the Audit Committee are to review the adequacy of the system of internal controls and management information systems, to review the results of our independent registered public accounting firm's quarterly reviews of our interim financial statements, to review the planning and results of the annual audit with our independent registered public accounting firm, and to have oversight of financial risks. This Committee held seven meetings in 2011. The Board of Directors has adopted a written charter for the Audit Committee. The Audit Committee charter is publicly available on our Web site at: <http://www.westlake.com> under Investor Relations Corporate Governance.

Mr. Blakely is currently serving on the audit committees of four public companies, including the Company's Audit Committee. In May 2009, prior to his commencement of service on the fourth audit committee, the Board of Directors of the Company determined that his service on these other audit committees would not impair his ability to effectively serve on the Company's Audit Committee.

The Compensation Committee

The Compensation Committee of the Board of Directors is comprised of Robert T. Blakely, E. William Barnett, Albert Chao, James Chao, Dorothy C. Jenkins, Max L. Lukens (chairman) and H. John Riley, Jr. (all of the members of the Board of Directors). Since Westlake is considered to be controlled by the principal stockholder under New York Stock Exchange rules, all Compensation Committee members are not required to be independent as defined by the listing standards of the New York Stock Exchange. Albert Chao, James Chao and Ms. Jenkins are not independent as defined by those listing standards. The Compensation Committee's primary functions include overseeing our executive compensation, director compensation and equity and performance incentive compensation plans and policies. This Committee held five meetings in 2011. The Compensation Committee has adopted a written charter. The Compensation Committee charter is publicly available on our Web site at: <http://www.westlake.com> under Investor Relations Corporate Governance.

The Nominating and Governance Committee

The Nominating and Governance Committee is comprised of E. William Barnett (chairman), Albert Chao, James Chao, Robert T. Blakely, Dorothy C. Jenkins, Max L. Lukens and H. John Riley, Jr. (all of the members of the Board of Directors). Since Westlake is considered to be controlled by the principal stockholder under New York Stock Exchange rules, all Nominating and Governance Committee members are not required to be independent as defined by the listing standards of the New York Stock Exchange. Albert Chao, James Chao and Ms. Jenkins are not independent as defined by those listing standards. The Nominating and Governance Committee's primary functions are (1) to identify individuals qualified to become directors of the Company, (2) to recommend to the Board of Directors director candidates to fill vacancies on the Board of Directors and to stand for election by the stockholders at the annual meeting of stockholders, (3) to recommend committee assignments for directors, (4) to monitor and annually assess the performance of the Board of Directors and its committees, and (5) to develop and recommend to the Board of Directors appropriate corporate governance policies, practices and procedures for the Company. In assessing the qualifications of prospective nominees to serve as directors, the committee will consider, in addition to any criteria set forth in the Bylaws of the Company, each nominee's personal and professional integrity, experience, skills, ability and willingness to devote the time and effort necessary to be an effective director, and commitment to acting in the best interests of the Company and its stockholders. This Committee held four meetings in 2011. The Nominating and Governance Committee

has the authority to retain an executive search firm as needed to identify director candidates. The Nominating and Governance Committee has adopted a written charter. The charter is publicly available on our Web site at: <http://www.westlake.com> under Investor Relations Corporate Governance.

The Nominating and Governance Committee will consider nominees recommended by stockholders. Any recommendation should be addressed in writing to the Nominating and Governance Committee, Westlake Chemical Corporation, c/o Corporate Secretary, 2801 Post Oak Blvd., Houston, Texas 77056. Recommendations for potential nominees may come from any source, including members of the Board of Directors, stockholders, self-recommendations or search firms. All persons recommended for a vacant or new Board position will be given equal consideration regardless of the source of the recommendation. The Nominating and Governance Committee takes diversity, broadly defined to include gender, ethnicity, national origin, geographic location, expertise and level and type of career experience, into account in evaluating the qualifications of prospective nominees to the Board.

BOARD LEADERSHIP STRUCTURE

We have separated the positions of chairman of the board and chief executive officer, in that Mr. James Chao serves us as our Chairman of the Board and Mr. Albert Chao serves us as our Chief Executive Officer. Our board has concluded that balance and varying experience and judgment are added to the leadership of the board by having these two positions filled by different persons.

Mr. James Chao, our Chairman of the Board, is not independent from our management, as independence is defined by the rules and regulations of the SEC and the listing standards of the New York Stock Exchange. Our independent directors meet at least once a year. At these meetings, the independent director that presides over the meeting rotates among the independent directors. See Information Regarding Board of Directors Executive Sessions. We believe that this leadership structure is appropriate because we are controlled by TTWF LP, our principal stockholder.

BOARD ROLE IN CORPORATE RISK OVERSIGHT

The Board of Directors has formed a Corporate Risk Committee of our Board of Directors, which is comprised of H. John Riley, Jr. (chairman), E. William Barnett, Robert T. Blakely, Albert Chao, James Chao, Dorothy C. Jenkins and Max L. Lukens (all of the members of the Board of Directors). This committee assists the Board in overseeing overall risks inherent in the operations of the Company and the control processes with respect to those risks. Among other things, this committee reviews the risk-management structure of the Company and reviews management's identification and assessment of significant risks and its plans to control those risks. The Corporate Risk Committee also reviews management's systems as they relate to enterprise-wide risks posed by the Company's physical assets and operating processes and addresses the findings of regulatory agencies concerning the Company's physical assets and operations. As previously described, our Board's Audit Committee retains responsibility for oversight of financial risks, including integrity of financial statements, internal controls, derivatives transactions, loan covenant compliance, credit, liquidity, insurance and similar areas. Further, our Board's Compensation Committee retains responsibility for oversight of compensation and personnel practices, including succession planning and management development. Finally, our Board of Directors retains ultimate responsibility for corporate risk oversight as a whole as well as responsibility for oversight of specific risks not assigned to the Board's committees. As requested from time to time by the Board and its committees, members of our senior management present reports to the Board and the committees on the risks that we face.

COMPENSATION-RELATED RISK

The Company regularly assesses risks related to its compensation program, including its executive compensation program, and does not believe that the risks arising from the Company's compensation policies and practices are reasonably likely to have a material adverse effect on the Company. Management reports to the

Compensation Committee and the Corporate Risk Committee regarding factors that could mitigate or encourage excessive risk-taking in reference to the compensation practices of the Company. In addition, the Compensation Committee has independently engaged Towers Watson as its compensation consultant to provide regular reports to the committee regarding best practices, risk factors, program design and related matters. The Compensation Committee also considered the attributes of the Company's programs, including:

The mix of compensation types with an emphasis on performance-based programs,

The array of performance metrics to be used in the programs and their alignment with business goals and objectives, and

The mix of vesting schedules for long-term incentives to help ensure the recognition and retention of talent and returning value to stockholders.

CORPORATE GOVERNANCE

We have a Code of Ethics that applies to our principal executive officer, principal financial officer and principal accounting officer, a Code of Conduct that applies to all directors, officers and employees and Principles of Corporate Governance. You can find the above-referenced documents by visiting our Web site: <http://www.westlake.com> under Investor Relations Corporate Governance. We will post on our Web site any amendments to such documents as well as any waivers that are required to be disclosed by the rules of either the SEC or the New York Stock Exchange.

COMMUNICATIONS WITH DIRECTORS

Any interested party is welcome to communicate with any one or all of our directors by writing to the director or directors, Westlake Chemical Corporation, c/o Corporate Secretary, 2801 Post Oak Blvd., Houston, Texas 77056. The Corporate Secretary will forward these communications to the addressee. If any interested party would like to communicate with the non-management directors or independent directors as a group, the interested party should address such communication as follows: Non-management Directors or Independent Directors (as applicable), c/o Corporate Secretary, Westlake Chemical Corporation, 2801 Post Oak Blvd., Houston, Texas 77056. Upon receipt, Westlake's Corporate Secretary will forward the communication, unopened, to one of the non-management directors or independent directors, as applicable. Such director will, upon review of the communication, make a determination as to whether it should be brought to the attention of the other non-management directors or independent directors, as applicable, and whether any response should be made to the person sending the communication, unless the communication was made anonymously.

MEETING ATTENDANCE

The Board of Directors held eight meetings in 2011. During 2011, all of our directors attended at least 75% of the total number of meetings of the Board of Directors and any committee on which he or she served during the periods that he or she served. Westlake encourages its directors to attend the annual meeting of stockholders. All seven of our directors attended our annual meeting of stockholders in 2011.

COMPENSATION OF DIRECTORS

Directors who are also full-time officers or employees of Westlake or of affiliates of our principal stockholder receive no additional compensation for serving as directors. In 2011, all other directors received an annual retainer of \$70,000. The Audit Committee chairman received an additional annual retainer of \$15,000, the Compensation Committee chairman received an additional annual retainer of \$10,000, the Nominating and Governance Committee chairman received an additional annual retainer of \$8,000 and the Corporate Risk Committee chairman received an additional annual retainer of \$8,000. In 2012, we expect that these cash retainers for our directors will remain the same.

Under the 2004 Omnibus Incentive Plan (the 2004 Plan), the Board of Directors, effective August 19, 2011, authorized the issuance of 1,804 shares of restricted stock to each outside director. The shares of restricted stock will vest in three equal installments on August 19, 2012, 2013 and 2014, subject to the grantee's continuous position as a director of Westlake.

The following table sets forth a summary of the compensation we paid to our non-employee directors in 2011:

Name	Fees Earned				Total (\$)
	or Paid in Cash (\$)	Stock Awards(1) (\$)	Option Awards(2) (\$)	All Other Compensation(3) (\$)	
E. William Barnett	78,000	70,000	0	1,129	149,129
Robert T. Blakely	85,000	70,000	0	1,129	156,129
Dorothy C. Jenkins	70,000	70,000	0	1,129	141,129
Max L. Lukens	80,000	70,000	0	1,129	151,129
H. John Riley, Jr.	78,000	70,000	0	1,129	149,129

- (1) These amounts represent the grant date fair value of the restricted stock awards granted to our directors in 2011, calculated in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718. For a discussion of the related valuation assumptions, please see Note 9 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2011. As of December 31, 2011, Mr. Barnett, Mr. Blakely, Ms. Jenkins, Mr. Lukens and Mr. Riley each had 4,070 shares of unvested restricted stock.
- (2) As of December 31, 2011, Mr. Barnett had outstanding options to purchase 10,640 shares of common stock, Mr. Blakely and Mr. Lukens each had outstanding options to purchase 5,056 shares of common stock, Ms. Jenkins had outstanding options to purchase 13,399 shares of common stock, and Mr. Riley had outstanding options to purchase 7,375 shares of common stock.
- (3) All other compensation amounts represent dividend payments with respect to shares of restricted stock that were paid to the directors before the vesting of the shares.

PROPOSAL 1 ELECTION OF CLASS II DIRECTORS

Our Amended and Restated Certificate of Incorporation provides that the Board of Directors be divided into three classes, each consisting, as nearly as possible, of one-third of the total number of directors constituting the Board of Directors, with each class to serve for a term of three years. The following nominees, each of whom is an incumbent Class II director and was nominated by our Nominating and Governance Committee, are proposed for election in Class II, to serve until the annual meeting of stockholders in 2015, or until their successors are elected and qualified:

James Chao

H. John Riley, Jr.

Unless instructed otherwise, the proxies will be voted for the election of the two nominees named above. If any nominee is unable to serve, proxies may be voted for a substitute nominee selected by the Board of Directors, although management is not aware of any circumstance likely to render any of the named nominees unavailable for election.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THESE NOMINEES AS CLASS II DIRECTORS.

NOMINEES FOR ELECTION AS CLASS II DIRECTORS

James Chao (age 64). Mr. Chao has been our Chairman of the Board since July 2004 and became a director in June 2003. From May 1996 to July 2004, he served as our Vice Chairman. Mr. Chao also has responsibility for the oversight of our Vinyls business. Mr. Chao has over 40 years of global experience in the chemical industry. In November 2010, he resigned as the executive chairman of Titan Chemicals Corp. Bhd, a post he held since June 2003. Prior to that he served as Titan's Managing Director. He has served as a Special Assistant to the Chairman of China General Plastics Group and worked in various financial, managerial and technical positions at Mattel Incorporated, Developmental Bank of Singapore, Singapore Gulf Plastics Pte. Ltd. and Gulf Oil Corporation. Mr. Chao, along with his brother Albert Chao, assisted their father T.T. Chao in founding Westlake. Mr. Chao is on the board of Baylor College of Medicine and KIPP (Knowledge Is Power Program). Mr. Chao received his B.S. degree from Massachusetts Institute of Technology and an M.B.A. from Columbia University.

The Board has concluded that Mr. James Chao should serve as a director of the Company based primarily on his long experience in the global chemicals and plastics industries and his lengthy tenure as a senior officer of the Company. Mr. Chao also brings important perspectives to our board as a member of the Chao family, which controls TTWF LP, our principal stockholder.

H. John Riley, Jr. (age 71). Mr. Riley has been a director since November 2007. Mr. Riley served as Chairman of the Board of Directors of Cooper Industries, Ltd., from May 1996 until February 2006 and served as its Chief Executive Officer from September 1995 to May 2005. He was President of Cooper Industries, Ltd. from 1992 to 2004, its Chief Operating Officer from 1992 to 1995 and its Executive Vice President, Operations from 1982 to 1992. He was associated with Cooper Industries, Ltd. for more than 40 years. In addition, from 1997 to the present he has been serving as a director of Baker Hughes Incorporated. From 1998 to the present he has been serving as a director of Allstate Corporation. He also currently serves as a director of Post Oak Bank, N.A., a private bank. He is a trustee of the Museum of Fine Arts in Houston and a trustee of Syracuse University. Mr. Riley holds a B.S. in Industrial Engineering from Syracuse University. He also completed the Harvard University Advanced Management Program.

The Board has concluded that Mr. Riley should serve as a director of the Company based primarily on his long experience as a senior officer, including chief executive officer, of a public company engaged in manufacturing.

OTHER DIRECTORS

Class III Directors Serving Until 2013

E. William Barnett (age 79). Mr. Barnett has been a director since June 2006. Mr. Barnett served for over four decades as an attorney specializing in commercial and antitrust law with Baker Botts L.L.P., from which he retired in 2004. He served as Managing Partner of the law firm from 1984 to 1998. Mr. Barnett has extensive public company and community-based board experience. He has been a director of GenOn Energy, Inc. (formerly known as RRI Energy, Inc. and Reliant Energy, Inc.) since October 2002 and a director of Enterprise Products GP LLC since March 2005. Additionally, he is a former chairman of the Board of Trustees of Rice University. Currently, he is chairman of the Baker Institute Advisory Board at Rice University. Mr. Barnett is past chairman and director emeritus of the Houston Zoo, Inc., past chairman and current director emeritus of The Greater Houston Partnership and a director emeritus of Baylor College of Medicine. He is also an advisory director of the Center of Houston's Future and a director of St. Luke's Episcopal Hospital, on the Advisory Board of the Methodist Hospital Center for Performing Arts Medicine and a life trustee of The University of Texas Law School Foundation. Mr. Barnett holds a B.A. from Rice University and LL.B. from the University of Texas-Austin School of Law.

The Board has concluded that Mr. Barnett should serve as a director of the Company based primarily on his experience with issues of legal compliance and his service on the boards of other public companies and of charitable and community organizations.

Robert T. Blakely (age 70). Mr. Blakely has been a director since August 2004. Mr. Blakely served as Chief Financial Officer of the Federal National Mortgage Association (Fannie Mae) from January 2006 until August 2007. He served as Fannie Mae's Executive Vice President from January 2006 until January 2008. His prior positions include: Executive Vice President and Chief Financial Officer of MCI, Inc. from April 2003 to January 2006; President of Performance Enhancement Group, Ltd. from July 2002 to April 2003; Executive Vice President and Chief Financial Officer of Lyondell Chemical Company from November 1999 to June 2002; Executive Vice President of Tenneco Inc. from 1996 to November 1999 and Chief Financial Officer from 1981 to November 1999; and Managing Director of Morgan Stanley & Co. from 1980 to 1981 and an employee from 1970. He has served on the Board of Directors of Natural Resource Partners L.P. from January 2003 to the present, the Board of Directors of Greenhill & Co., Inc. from April 2009 to the present and the Board of Directors of Ally Financial (formerly GMAC Inc.) from May 2009 to the present. He is a trustee emeritus of Cornell University. At year-end 2011, he completed a five-year term as a Trustee of the Financial Accounting Foundation. He is also a director of St. Luke's Episcopal Hospital System. He holds a B.M.E. degree in mechanical engineering and a M.B.A. in business administration from Cornell University and a Ph.D. from the Massachusetts Institute of Technology.

The Board has concluded that Mr. Blakely should serve as a director of the Company based primarily on his long experience as a corporate executive of public companies, his prior tenure as a senior officer of a company in the chemicals industry, his service as the chief financial officer of public companies and his broad background in the field of financial accounting.

Albert Chao (age 62). Mr. Chao has been our President since May 1996 and a director since June 2003. Mr. Chao became our Chief Executive Officer in July 2004. Mr. Chao has over 35 years of global experience in the chemical industry. In 1985, Mr. Chao assisted his father T.T. Chao and his brother James Chao in founding Westlake, where he served as Executive Vice President until he succeeded James Chao as President. He has held positions in the Controller's Group of Mobil Oil Corporation, in the Technical Department of Hercules Incorporated, in the Plastics Group of Gulf Oil Corporation and has served as Assistant to the Chairman of China General Plastics Group and Deputy Managing Director of a plastics fabrication business in Singapore. Mr. Chao is a trustee emeritus of Rice University. Mr. Chao received a bachelor's degree from Brandeis University and an M.B.A. from Columbia University.

The Board has concluded that Mr. Albert Chao should serve as a director of the Company based primarily on his long experience in the worldwide chemicals and plastics industries and his lengthy tenure as a senior officer of the Company. Mr. Chao also brings important perspectives to our Board from his position as a member of the Chao family, which controls TTWF LP, our principal stockholder.

Class I Directors Serving Until 2014

Dorothy C. Jenkins (age 66). Ms. Jenkins has been a director since June 2003. For the past five years, Ms. Jenkins has managed her personal investments. She is also a member of the board of various civic and charitable organizations including Wellesley College. Ms. Jenkins is the sister of James Chao and Albert Chao. She is a graduate of Wellesley College and holds a B.S. in Mathematics.

The Board has concluded that Ms. Jenkins should serve as a director of the Company based primarily on her experience on the boards of charitable and community organizations and her position as a member of the Chao family, which controls TTWF LP, our principal stockholder.

Max L. Lukens (age 63). Mr. Lukens has been a director since August 2004. Since May 2006, Mr. Lukens has managed his personal investments. Mr. Lukens served as President and Chief Executive Officer of Stewart & Stevenson Services, Inc. until May 2006 and prior to that served as its Chairman of the Board from December 2002 to March 2004, and Interim Chief Executive Officer and President, from September 2003 to March 2004. He was also previously employed by Baker Hughes Incorporated from 1981 to January 2000, where he served as

Baker Hughes Chairman of the Board, President and Chief Executive Officer from 1997 to January 2000. Between 2003 and 2009, he served as a director of NCI Building Systems, Inc. He also served as a director of The Pep Boys Manny, Moe & Jack from August 2006 until October 2007 and again from June 2009 until September 2011. He was also Chairman of the Board of that company from June 2009 until he resigned in September 2011. Mr. Lukens was a Certified Public Accountant with Deloitte Haskins & Sells for 10 years and received both his B.S. and M.B.A. degrees from Miami University.

The Board has concluded that Mr. Lukens should serve as a director of the Company based primarily on his long experience as a chief executive officer of public companies, as well as his service on the boards of other public companies and his earlier career as a certified public accountant.

SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT

The following table lists information about the number of shares of common stock beneficially owned by each director, each named executive officer listed in the summary compensation table included later in this Proxy Statement, and all of our directors and executive officers as a group. Shares of stock are beneficially owned by a person if the person directly or indirectly has or shares the power to vote or dispose of the shares, regardless of whether the person has any economic interest in the shares. A person also beneficially owns shares as to which the person has the right to acquire beneficial ownership within 60 days.

All information in the table is as of April 1, 2012 and is based upon information supplied by the directors and officers. Unless otherwise indicated in the footnotes and subject to community property laws where applicable, each of the stockholders named in the table has sole voting and investment power with respect to the shares indicated as beneficially owned.

Directors and Named Executive Officers	Amount and Nature of Beneficial Ownership of Common Stock(1)			Percent of Class
	Direct(2)	Other		
E. William Barnett	17,156	0		*
Robert T. Blakely	12,353	0		*
M. Steven Bender	80,595	0		*
Albert Chao	469,730	46,005,277	(3)(4)	69.8%
James Chao	268,687	46,005,277	(4)(5)	68.5%
Donald M. Condon, Jr.	40,993	0		*
Dorothy C. Jenkins	25,696	46,005,277	(4)	69.1%
Max L. Lukens	12,353	0		*
H. John Riley, Jr.	12,138	0		*
Jeffrey L. Taylor	44,264	0		*
All directors and executive officers as a group (15 persons, including those listed above)	1,188,316	46,005,277		70.8%

* Less than 1% of the outstanding shares of common stock.

- (1) None of the shares beneficially owned by our directors or officers are pledged as security.
- (2) The amounts include shares of common stock that may be acquired within 60 days from April 1, 2012 through the exercise of options held by Mr. Barnett (7,908), Mr. Bender (44,314), Mr. Blakely (2,324), Mr. Albert Chao (348,855), Mr. James Chao (177,779), Mr. Condon (19,873), Ms. Jenkins (10,667), Mr. Lukens (2,324), Mr. Riley (4,643), Mr. Taylor (24,217), and all directors and executive officers as a group (579,135). The amounts also include unvested shares of restricted stock held by Mr. Barnett (4,070), Mr. Blakely (4,070), Mr. Bender (19,842), Mr. Albert Chao (48,567), Mr. James Chao (37,004), Mr. Condon (10,672), Ms. Jenkins (4,070), Mr. Lukens (4,070), Mr. Riley (4,070), Mr. Taylor (10,868), and all directors and executive officers as a group (157,097), over which such persons have sole voting power but no dispositive power.
- (3) Does not include common stock of the Company owned directly by James Chao and 20,000 shares of common stock owned by Albert Chao's mother. Albert Chao disclaims beneficial ownership of these shares.
- (4) Two trusts for the benefit of members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao, are the managers of TTWFGP LLC, a Delaware limited liability company, which is the general partner of TTWF LP. The limited partners of TTWF LP are five trusts principally for the benefit of members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao and two corporations owned, indirectly or directly, by certain of these trusts and by other entities owned by members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao. James Chao, Dorothy C. Jenkins, Albert Chao, TTWF LP and TTWFGP LLC share voting and dispositive power with respect to the shares of our common stock beneficially owned by TTWF LP. James Chao, Dorothy C. Jenkins and Albert Chao disclaim beneficial ownership of the 46,005,277 shares held by TTWF LP except to the extent of their respective pecuniary interest therein.
- (5) Does not include common stock of the Company owned directly by Albert Chao and 20,000 shares of common stock owned by James Chao's mother. James Chao disclaims beneficial ownership of these shares.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth each person known to Westlake who is the beneficial owner of 5% or more of the outstanding shares of our common stock.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
TTWF LP (1)	46,005,277	69.1%
2801 Post Oak Boulevard		
Houston, Texas 77056		
Royce & Associates, LLC (2)	5,435,692	8.2%
745 Fifth Avenue		
New York, NY 10151		

- (1) Two trusts for the benefit of members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao, are the managers of TTWFGP LLC, a Delaware limited liability company, which is the general partner of TTWF LP. The limited partners of TTWF LP are five trusts principally for the benefit of members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao and two corporations owned, indirectly or directly, by certain of these trusts and by other entities owned by members of the Chao family, including James Chao, Dorothy C. Jenkins and Albert Chao. TTWF LP and TTWFGP LLC each have shared voting power and shared dispositive power over 46,005,277 shares of our common stock. As of April 2, 2012, James Chao had sole voting power and sole dispositive power over 231,683 shares of our common stock, sole voting and no dispositive power over 37,004 shares of our common stock, and shared voting power and shared dispositive power over 46,005,277 shares of our common stock. Dorothy C. Jenkins had sole voting power and sole dispositive power over 21,626 shares of our common stock, sole voting power and no dispositive power over 4,070 shares of our common stock, and shared voting power and shared dispositive power over 46,005,277 shares of our common stock. Albert Chao had sole voting power and sole dispositive power over 421,163 shares of our common stock, sole voting and no dispositive power over 48,567 shares of our common stock and shared voting power and shared dispositive power over 46,005,277 shares of our common stock. James Chao, Dorothy C. Jenkins and Albert Chao disclaim beneficial ownership of the 46,005,277 shares of our common stock held by TTWF LP except to the extent of their respective pecuniary interest therein.
- (2) Based on a Schedule 13G/A filed with the SEC on January 24, 2012. According to the filing, Royce & Associates, LLC, an investment adviser, has sole voting power and sole dispositive power over 5,435,692 shares of our common stock and shared voting power and shared dispositive power over no shares of our common stock.

COMPENSATION DISCUSSION AND ANALYSIS

A discussion and analysis of the Company's executive compensation philosophy, objectives and underlying program is presented below. This discussion includes a review of the following:

Compensation Committee Oversight

External Advisors

The Deliberative Process

Compensation Philosophy and Program Objectives

Elements of the Program; Internal Pay Equity

Establishing Compensation Levels

Post-Employment Programs

Employment Agreements; Severance and Change-in-Control Arrangements

Deferred Compensation Programs

Compensation Committee Oversight

The Board of Directors has established a Compensation Committee (the Committee) to review and provide oversight of the compensation programs of the Company and the compensation of the Principal Executive Officer (the PEO), the other officers named in the Summary Compensation Table (together with the PEO, the Named Executive Officers or the NEOs) and other employees designated as executive officers of the Company (collectively, the Executives).

Since Westlake is considered to be controlled by its principal stockholder under New York Stock Exchange rules, all Committee members are not required to be independent as defined by the listing standards of the New York Stock Exchange. The Committee is currently composed of four independent board members, one of whom serves as the Committee's chair, and three non-independent members of the Board, one of whom is the PEO, one of whom is the Chairman of the Board and the last of whom is the sister of the PEO and the Chairman of the Board.

The Committee operates under the provisions of a charter and meets periodically throughout the year. The Committee's duties include the following:

reviewing and approving the corporate goals and objectives relevant to the PEO's compensation annually, evaluating the PEO's performance in light of the goals and objectives and determining the PEO's compensation level based upon the performance evaluation and other relevant factors;

reviewing and approving the PEO's assessment of, and compensation recommendations for, the NEOs and other Executives;

administering and making recommendations to the Board with respect to the design of the Company's incentive compensation plans, equity-based plans and other compensation and benefit plans and the issuance of stock and other awards under these plans;

reviewing and making recommendations to the Board with respect to the fees and other compensation received by directors and board committee members;

reviewing matters related to the succession plan for the PEO and other Executives;