



Annual General Meeting of Covestro AG on April 13, 2018

Explanatory note regarding the election of the external auditor

The external auditor of Covestro AG is PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft („PwC“), Essen, trading under PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Essen, until February 28, 2017.

From fiscal 2015, the signatory auditors of the financial statements and the consolidated financial statements of die Covestro AG are Ms. Petra Justenhoven (left signatory) and Mr. Dietmar Prümm (right signatory) as responsible audit partners. Neither of them has previously been a signatory auditor in respect of Bayer Group companies or a company of the former MaterialScience subgroup.

The legal stipulations and rules for mandatory auditor rotation as per Sections 319 und 319a of the German Commercial Code (HGB) are satisfied, taking account of the new regulations of the Transformation Act for the audit-related requirements of Directive 2014/56/EU and the interpretation of the corresponding requirements of Regulation 537/2014 (EU Regulation) concerning the audit of public interest entities (Abschlussprüfungsreformgesetz – AReG), which, as the EU Regulation itself, became effective on June 17, 2016.

The EU Regulation expands requirements concerning financial audits. Per Article 17 Section 1 Subsection 2, the EU Regulation mandates Public Interest Entities (PIEs), such as Covestro AG, to generally rotate their external auditors after a maximum ten-year period, subject to exemptions referenced per Section 318 Paragraph 1a and 1b HGB, as amended by the AReG.



Based on a selection procedure performed by the Audit Committee in line with Article 16 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, the Supervisory Board – in line with the recommendation made and the preference expressed by the Audit Committee for KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf (Germany), – proposes that the Annual General Meeting elect KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the auditor for fiscal 2018 and as the auditor for the review of the condensed interim financial statements and the interim management report as of June 30, 2018, and for any review of additional financial information of Covestro AG during fiscal 2018.