



Annual General Meeting of Covestro AG on April 16, 2021

Explanatory notes on shareholders' rights and additional information

Due to the continuing COVID-19 pandemic, the Board of Management of Covestro AG resolved, with the approval of the Supervisory Board, to hold the Annual General Meeting on April 16, 2021, as a virtual event without the physical presence of the shareholders and their proxies. The objective is to mitigate health risks for shareholders, shareholder representatives, employees, and service providers. The shareholders and their proxies (with the exception of company-nominated proxies) are therefore prohibited from participating in the Annual General Meeting with physical presence.

The legal basis providing for a virtual Annual General Meeting is the German Law on Measures in Corporate, Cooperative, Association, Foundation and Residential Property Law to Combat the Effects of the COVID-19 Pandemic (C19-AuswBekG) of March 27, 2020, extended and most recently amended by Article 11 of the German Law on the Further Shortening of the Residual Debt Relief Proceedings and on the Adjustment of Pandemic-Related Provisions in Corporate, Cooperative, Association, Foundation Law and Rental and Lease Law of December 22, 2020.

The convening Notice of the Annual General Meeting contains information on the shareholders' rights pursuant to Section 122, Paragraph 2 and Sections 126 and 127 of the German Stock Corporation Act (AktG) and on the shareholders' right to ask questions in accordance with Section 1, Paragraph 2 of the C19-AuswBekG in particular regarding the timeframe for exercising these rights. The following information serves as more detailed explanation of these shareholders' rights.

1. Additions to the Agenda pursuant to Section 122, Paragraph 2 AktG

Shareholders whose shares together account for one-twentieth of the capital stock or a proportionate interest of €500,000 (corresponding to 500,000 no-par value shares) may request items to be added to the agenda and announced. Each new item must be accompanied by the reasons for it or a proposal for a resolution. The request must be submitted to the Board of Management in writing and must be received by the company in writing **by March 16, 2021, 24:00 midnight CET (= 11:00 PM UTC)**.

Shareholders' proposals for additions to the agenda may be submitted to the company at the following address:

**Covestro AG
Board of Management
– Office of the Chairman of the Board of Management –
Kaiser-Wilhelm-Allee 60
51373 Leverkusen
Germany**

According to Section 122, Paragraphs 1 and 2 AktG, applicants must provide evidence that they have held their shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until a decision on the motion has been made by the Board of Management. Attention is explicitly drawn to the fact that Section 70 AktG provides certain options of apportionment in calculating this shareholding period.

Additions to the agenda that have to be announced will be published in the Federal Gazette (Bundesanzeiger) immediately after receipt of the request and disseminated throughout the European Union. They will also be made available online at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>.



Excerpts of the underlying provisions of the AktG pertaining to shareholders' rights:

Section 122, Paragraphs 1 and 2 AktG:

"(1) The annual general meeting is to be convened, if shareholders whose holdings in aggregate amount to one-twentieth of the share capital, request such a convention in writing and by stating the objective and the reasons; the request is to be submitted to the management board. The articles of incorporation may provide that the right to require an annual general meeting to be convened shall be dependent upon another form or the holding of a lower proportion of the capital stock. The applicants must provide evidence that they have been holders of the shares for at least 90 days preceding the date of receipt of the request and that they hold the shares until a decision on the motion by the management board has been made. Section 121, Paragraph 7 shall be applied accordingly.

(2) In the same way, shareholders whose aggregate holdings amount to one-twentieth of the share capital or a proportionate amount of €500,000 may request items to be placed on the agenda and to be published. Each new item must be accompanied by a substantiation or a draft resolution. A request in the meaning of Sentence 1 must be received by the company no later than 24 days, in the case of stock-exchange listed companies no later than 30 days prior to the meeting; the day of receipt shall not be counted."

Section 121, Paragraph 7 AktG:

"(7) For deadlines and periods calculated backwards from the date of the meeting, the day of the meeting shall not be included in the calculation. Adjourning the meeting from a Sunday, Saturday or public holiday to a preceding or following business day shall not be possible. Sections 187 to 193 of the German Civil Code (BGB) shall not be applied accordingly. In case of nonlisted companies, the articles of incorporation may define a different calculation of the deadline."

Section 70 AktG:

"If the exercise of rights stemming from the share depends on the shareholder being the bearer of the share for a specified period of time, then the right to demand transfer of title from a credit institution, a financial services institute, or an enterprise operating under Section 53, Paragraph 1, Sentence 1 or Section 53b, Paragraph 1, Sentence 1 or Paragraph 7 of the Banking Act shall be deemed equivalent to ownership. The period during which the share was owned by a predecessor shall be attributed to the shareholder, provided that he has acquired the share without consideration from his fiduciary, as a successor in legal interest by operation of law, in connection with the liquidation of a community of interest, or as a result of a transfer of assets pursuant to Section 13 of the Insurance Supervision Act or Section 14 of the Building Loan Associations Act."

2. Motions and proposals for elections pursuant to Section 126, Paragraph 1 and Section 127 AktG

Counter-motions to resolutions proposed by the Board of Management and/or Supervisory Board on a specific item of the agenda and proposals from shareholders relating to the election of auditors (agenda item 5) or to the election of members of the Supervisory Board (agenda item 6), which are to be made available prior to the Annual General Meeting, must be addressed exclusively to the address given below. Counter-motions and proposals for election submitted to another address will not be considered.

Covestro AG
Investor Relations
Kaiser-Wilhelm-Allee 60
51373 Leverkusen
Germany
Fax: +49 214 6009 7002
Email: ir@covestro.com



Counter-motions and proposals for election received no later than **April 1, 2021, 24:00 midnight CEST (= 10:00 PM UTC)** at the above address, together with evidence of the shareholding that have to be made available to the other shareholders, will be posted online immediately at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>. Any statement by the management will also be posted on this website.

Counter-motions must include a justification, unlike election proposals.

Please note that the company can choose not to make public a counter-motion (including the justification) or an election proposal under the conditions in Section 126, Paragraph 2, Sentence 1 and Section 127, Sentence 3 AktG. The counter-motion's substantiation need not be published if it exceeds a total of 5,000 characters.

A counter-motion or proposal for election to be made accessible pursuant to Sections 126, 127 AktG will only be considered as submitted for the virtual Annual General Meeting, if the shareholder making the counter-motion or proposal has had their identity duly verified and has duly registered to participate in the Annual General Meeting.

Excerpts of the underlying provisions of the AktG pertaining to shareholders' rights:

Section 126 AktG:

"(1) Motions from shareholders, including their name, the reasons, and any comments by the management, shall be made accessible to those entitled as specified in Section 125, Paragraphs 1 to 3 under the conditions stated therein if, at least 14 days before the meeting of the company, the shareholders have submitted a counter-motion to a proposal of the management board and supervisory board regarding a specific item on the agenda, with substantiation, to the address stated in the invitation for this purpose. The day of receipt shall not be counted. For listed companies, publication shall be on the company website. Section 125, Paragraph 3 applies accordingly.

(2) A counter-motion and its substantiation do not need to be disclosed,

- 1. if the management board would render itself liable to prosecution by its disclosure,*
- 2. if the counter-motion would result in a resolution by the annual general meeting which is either unlawful or in breach of the articles of association,*
- 3. the substantiation includes statements which are obviously false or misleading in material respects or are libellous,*
- 4. if a counter-motion by the shareholder based on the same facts has already been disclosed with respect to an annual general meeting of the company pursuant to Section 125,*
- 5. if the same counter-motion of such shareholder on essentially identical grounds has already been made accessible pursuant to Section 125 to not less than two annual general meetings of the company within the past five years and at such annual general meetings less than one-twentieth of the share capital represented has voted in favour of such counter-motion,*
- 6. if the shareholder indicates, that he will neither attend nor be represented at the annual general meeting, or*
- 7. if the shareholder, at two annual general meetings within the last two years, did not present, or did not have presented, a counter-motion submitted by him.*

The counter-motion's substantiation need not be published if it exceeds 5,000 characters.



(3) If more than one shareholder submits a counter-motion to the same items of the resolution, the management board may consolidate the counter-motions and their substantiations."

Section 127, Sentences 1 to 3 AktG:

"Section 126 shall apply analogously to a proposal by a shareholder for the election of members of the supervisory board or external auditors. Such election proposal need not be substantiated. The management board need not disclose such election proposal if it fails to contain the information prescribed by Section 124, Paragraph 3, Sentence 4 and Section 125, Paragraph 1, Sentence 5."

Section 124, Paragraph 3, Sentence 4 AktG:

"A proposal for the election of members of the supervisory board or auditors must specify their names, profession and place of residence."

Section 125, Paragraph 1, Sentence 5 AktG

"In the case of listed companies, a proposal for the election of supervisory board members shall be accompanied by information on their membership in other supervisory boards required by law; information on their membership in comparable domestic and foreign supervisory bodies of commercial enterprises shall be enclosed."

3. Right for shareholders to ask questions by means of electronic communication pursuant to Section 1, Paragraph 2 of the C19-AuswBekG

Shareholders or their proxies duly registered to attend the Annual General Meeting have the right to ask questions by means of electronic communication in accordance with Section 1, Paragraph 2, Sentence 1, No. 3 and Sentence 2 of the C19-AuswBekG.

The Board of Management, with the approval of the Supervisory Board, has decided that all questions must be submitted by no later than one day before the Annual General Meeting, i.e., by **Wednesday, April 14, 2021, 24:00 midnight CEST (= 10:00 PM UTC)** (date of receipt), using the InvestorPortal at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>

The InvestorPortal will be activated starting March 26, 2021, at the latest. Questions in languages other than German will not be accepted.

Questions submitted after the above deadline will not be accepted.

The Board of Management will determine how it will answer questions at its own discretion in accordance with Section 1, Paragraph 2, Sentence 2 of the C19-AuswBekG.

When answering questions, the company will gladly name the person submitting the question, if the respective person submitting the question has specifically made mention thereof when the questions were submitted in the InvestorPortal.

Excerpts of the underlying provisions of the C19-AuswBekG pertaining to shareholders' rights:

Section 1, Paragraph 2, Sentence 1, No. 3, Sentence 2 of the C19-AuswBekG:

"(2) The board of management may decide that the meeting is held without the physical presence of the shareholders or their proxies as a virtual annual general meeting, provided that

[...]

3. the shareholders have the right to ask questions by way of electronic communication,

[...]



The board of management decides at its due and free discretion as to how it will answer questions; it may also require that questions shall be submitted by way of electronic communication by no later than one day before the meeting."

4. Notes and information pursuant to Section 124a, Sentence 1 AktG

Notes on agenda item 1 pursuant to Section 124a, Sentence 1, No. 2 AktG

Agenda item 1 of the invitation to the Annual General Meeting on April 16, 2021, concerns the statutory accounting requirements for the financial year ended on December 31, 2020. The annual financial statements prepared by the Board of Management as of February 17, 2021, for the 2020 fiscal year have already been approved by the Supervisory Board on February 22, 2021, in accordance with Section 172, Sentence 1 AktG; the annual financial statements have thus been adopted. At the same time, the Supervisory Board also approved the consolidated financial statements. No resolution on the adoption of the annual financial statements or on the approval of the consolidated financial statements in accordance with Section 173 AktG by the Annual General Meeting is therefore required. The other documents mentioned above shall be made available to the Annual General Meeting in accordance with Section 176, Paragraph 1, Sentence 1 AktG without the need for adoption of a resolution, with the exception of the resolution on the use of the distributable profit which will be taken under agenda item 2.

Information on the total number of shares and voting rights pursuant to Section 124a, Sentence 1, No. 4 AktG

The stock capital of the company on the date of issue of the notice convening the Annual General Meeting is divided into 193,200,000 bearer shares. Each share grants one vote. The company holds 39,456 treasury shares on the date of issue of the notice convening the Annual General Meeting. The total number of shares bearing participation and voting rights at the time of convening the Annual General Meeting therefore amounts to 193,160,544.

5. Data Protection

Information on the processing of personal data and on your rights under the European Union's General Data Protection Regulation (GDPR) can be found on the company's website at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>.

Leverkusen, March 2021
The Board of Management