Covestro CTPAT Statement of Support

CTPAT is the Customs Trade Partnership Against Terrorism, a joint U.S. government – business initiative to build cooperative relationships that strengthen overall supply chain and border security. This program asserts that an effective level of supply chain and border security can be achieved only with the close cooperation of government and private industry - importers, carriers, brokers, and manufacturers. In the CTPAT program, U.S. Customs asks businesses to take specific steps to ensure the effectiveness of their security practices, and to communicate security guidelines and requirements to business partners within the supply chain. In return, U.S. Customs reduces inspections, border transit times, and will move members' goods to the front of the line when a security crisis interrupts normal commercial activity.

Covestro LLC was accepted into the CTPAT program as a Tier III member in September of 2015 but has been a member since 2003 under our former U.S. parent, Bayer Corporation. U.S. Customs requires program members to comply with defined Minimum Security Criteria. The majority of Covestro LLC imports come from Covestro affiliates around the world. Accordingly, Covestro LLC must be able to show U.S. Customs that it has the support of Covestro globally for CTPAT participation. As a supplier to Covestro LLC, Covestro Deutschland AG hereby provides full support of Covestro LLC's CTPAT program.

Covestro:

- Is aware of the Minimum Security Criteria intended to protect the security and integrity of imports into the United States, as established by the U.S. Customs and Border Protection for CTPAT members
- Understands the importance of protecting the supply chain from criminal activities such as drug trafficking, terrorism, human smuggling, and illegal contraband
- Maintains localized policies, procedures and practices reasonably designed to fulfill the CTPAT standards, except where such standards may conflict with the law of the country or site at which such policies or procedures apply
- Follows all applicable legal requirements related to supply chain and international transportation
- Is aware of the responsibilities and roles of the various departments and legal entities in the supply chain throughout Covestro
- Is staffed with personnel, well acquainted with the rules and regulations applicable to their roles in supply chain and transportation
- Selects service providers based on criteria which include their ability to provide a safe and secure transportation service
- Expects its suppliers to maintain good security practices
- Will sever business relationships with suppliers or service providers who continuously fail to demonstrate good security practices or compliance with applicable regulations
- Provides for a global high level security system under the leadership and supervision of Corporate Security

Yours sincerely,
Covestro LLC & Covestro Deutschland AG

Samir Hifri
Chairman and President, Covestro LLC

Monique Buch
Chief Commercial Officer, Covestro Deutschland AG

INTERNAL