

ANNUAL GENERAL MEETING

2017



Covestro AG

Leverkusen, Germany

WKN: 606214 / ISIN: DE0006062144

Notice of the Annual General Meeting

Our shareholders are hereby invited to attend the
Annual General Meeting

at 10.00 a.m. on Wednesday, May 3, 2017

in the World Conference Center Bonn,
Platz der Vereinten Nationen 2, 53113 Bonn.

Foreword

Dear Shareholders,

Helping electric cars gain ground, breathing new life into wind energy and finding alternatives to the raw material crude oil: These are just three examples of many that demonstrate what we were able to accomplish last year with new materials and fresh ideas. Examples that underscore our goal of pushing boundaries to make the world a brighter place. These and many of our other efforts contributed to making 2016 a successful year for our company in every respect.

In our first full year as an independent company, we have firmly established Covestro in its new identity as a key player on the market and in the world's financial centers. Our young share was not only the most successful stock in the MDAX, it also performed better than the relevant international benchmark indices.

2016 proved to be a record year for a company from a business perspective as well. We reached or exceeded all our financial goals, including adjusted EBITDA, which rose by 23 percent over 2015 and exceeded EUR 2.0 billion for the first time. All other key indicators were also up over the previous year.

We would like to let you share in this success by paying a dividend of EUR 1.35 per share. We will be putting forward this proposal at the Annual General Meeting on May 3 in Bonn, Germany, to which I would like to cordially invite you on behalf of the Board of Management and the Supervisory Board.

Best regards,

Patrick Thomas
Chief Executive Officer, Covestro AG

I. Agenda

1. **Presentation of the adopted annual financial statements and the approved consolidated financial statements, the combined management report, the report of the Supervisory Board, the explanatory report by the Board of Management on takeover-related information and the proposal of the Board of Management on the use of the distributable profit, each for the fiscal year ending on December 31, 2016**

These documents will be accessible on the company's website at <http://investor.covestro.com/en/events/annual-general-meeting> from the date of the notice convening the Annual General Meeting. These documents will also be displayed during the Annual General Meeting. In addition, copies of these documents will be available for free to any shareholder upon request during the Annual General Meeting.

The annual financial statements for the fiscal year 2016 prepared by the Board of Management on February 14, 2017 were approved by the Supervisory Board on February 17, 2017 in accordance with Section 172 Sentence 1 of the German Stock Corporation Act (AktG); the annual financial statements are thus 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 of the 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 of the 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.

2. **Resolution on the use of the distributable profit**

The Board of Management and Supervisory Board propose that the entire distributable profit of € 273,375,000 reported in the annual financial statements for the fiscal year 2016 should be distributed to the shareholders in full. This represents a dividend of € 1.35 per no-par entitled share on the capital stock dividend of € 202,500,000 for 2016.

If the number of shares carrying dividend rights would change as a result of the purchase and/or disposal of own shares until the Annual General Meeting, an appropriate resolution on the distribution of profits will be submitted to the Annual General Meeting, however, without changing the proposed dividend payout of € 1.35 per no-par entitled share.

In accordance with Section 58, Paragraph 4, Sentence 2 of the AktG, as amended on January 1, 2017, the dividend will be paid on the third business day following the resolution of the Annual General Meeting, i.e. on May 8, 2017.

3. **Ratification of the actions of the members of the Board of Management**

The Board of Management and Supervisory Board propose that the actions of the members of the Board of Management who held office in the fiscal year 2016 be ratified for that period.

4. Ratification of the actions of the members of the Supervisory Board

The Board of Management and Supervisory Board propose that the actions of the members of the Supervisory Board who held office in the fiscal year 2016 be ratified for that period.

5. Election of the auditor for the audit of the annual financial statements and for the audit review of the interim financial statements

In line with the recommendation made by the Audit Committee, the Supervisory Board recommends that the Annual General Meeting should elect PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft (trading under PricewaterhouseCoopers AG, Wirtschaftsprüfungsgesellschaft until February 28, 2017), Essen, Germany, as the auditor for the annual and consolidated financial statements for the fiscal year 2017 and as the auditor for the audit review of the interim financial statements for the first half of the fiscal year 2017, and for any audit review during the year of additional financial information for the fiscal year 2017.

II. Additional information on the Annual General Meeting

1. Total number of shares and voting rights

On the date of issue of the notice convening the Annual General Meeting, the company's capital stock totals € 202,500,000 and is divided into 202,500,000 bearer shares, each of which confers one vote. On the date of issue of this notice, the company does not hold any own shares. The total number of shares eligible to participate in the meeting and to exercise voting rights is 202,500,000 as of the date of this notice.

2. Conditions for attendance at the Annual General Meeting and the exercise of voting rights

Only those persons who are shareholders of the company at the start of the 21st day prior to the Annual General Meeting, i.e. at **00.00 hours on April 12, 2017** (record date), and who register to attend the Annual General Meeting are eligible to attend the Annual General Meeting - in person or through a proxy - and to exercise voting rights. The registration must be submitted, together with evidence of the shareholding provided by the depositary bank or financial services institution as of the record date, to the registration address given below, **by the end of April 26, 2017** at the latest. Registration and the evidence of the shareholding must be submitted in text form in German or English.

Registration address:

Covestro AG
c/o Computershare Operations Center
80249 Munich
Germany
Fax: +49 89 30903 -74675
Email: Covestro-HV2017@computershare.de

Depository institutions normally undertake the registration process and submission of evidence of shareholdings on behalf of their clients. Shareholders are therefore requested to contact their depository institution as soon as possible and, at the same time, to order an admission ticket for the Annual General Meeting.

3. Significance of the record date

Eligibility to attend the Annual General Meeting and the number of voting rights are based exclusively on the shares held by the shareholder on the record date. Only shareholders who have provided evidence of this are recognized by the company as eligible to attend the Annual General Meeting and exercise voting rights. The record date does not constitute a freeze on the sale of the shares. Even in the event of complete or partial disposal of the shares after the record date, eligibility to attend the Annual General Meeting and the number of voting rights are based exclusively on the shares held by the shareholder on the record date, i.e. selling the shares after the record date has no impact on the eligibility to attend the Annual General Meeting or on the number of voting rights. This also applies in the event of the purchase of shares after the record date. Persons who do not hold any shares on the record date and only become shareholders after that date are not normally eligible to attend

the Annual General Meeting or to exercise voting rights pertaining to such acquired shares; this does not apply if and insofar as such persons are appointed as proxies or authorized to exercise the rights by the previous shareholder, who still held the shares on the record date.

4. Proxy voting procedure

Authorization of a third party

Shareholders may arrange for their voting rights to be exercised by a proxy, e.g. a bank, shareholders' association or other third party. Registration and submission of evidence of their shareholding by the deadline is also necessary in such cases. Shareholders receive a proxy form with their admission ticket. A proxy form is also available in the internet at <http://investor.covestro.com/en/events/annual-general-meeting>.

Granting and cancellation of the appointment of a proxy and evidence thereof must be submitted to the company in text form. Cancellation of proxy rights is also possible without observing any special format if the shareholder or person that granted the proxy authorization attends the Annual General Meeting. Evidence that proxy authorization has been granted can be provided by the proxy showing the authorization at the control points at the entrance to the Annual General Meeting. If proxy authorization is granted by issuing a declaration to the company, separate evidence of the granting of proxy authorization is not required.

The following address can be used to submit declarations to the company of the granting of proxy authorization or its cancellation and the submission of evidence that authorization has been issued to a proxy or canceled:

Covestro AG
c/o Computershare Operations Center
80249 Munich
Germany
Fax: +49 89 30903-74675

If made by means of a declaration to the company the notification of the granting and cancellation of proxy authorizations may also be made electronically via the company's internet-based proxy system. Shareholders can obtain access to the internet-based proxy system <http://investor.covestro.com/en/events/annual-general-meeting> using the data on their admission ticket. The e-mail address Covestro-HV2017@computershare.de is available for the electronic submission of evidence that authorization has been issued to a proxy or cancelled.

Special conditions normally have to be met if proxy is granted to banks or equivalent institutions or companies within the meaning of Section 135 Paragraph 10 of the AktG in conjunction with Section 125 Paragraph 5 of the AktG, or to shareholders' associations or equivalent persons within the meaning of Section 135 Paragraph 8 of the AktG; details should be obtained from the relevant proxy.

Granting proxy authorization to company-nominated proxies

In addition, shareholders who have registered correctly are offered the opportunity to authorize proxies nominated by the company and to issue voting instructions to them. The proxies are obligated to vote in accordance with the instructions issued; they may not exercise voting rights at

their discretion. Please note that the proxies may only exercise voting rights on those items on the agenda for which they have received voting instructions; they may not accept instructions on procedural motions, either in advance or during the Annual General Meeting. Similarly, proxies may not accept instructions to speak at the Annual General Meeting, to raise objections to resolutions of the Annual General Meeting, or to ask questions or propose motions.

The proxy authorization and instructions must be issued in text form. Forms to issue proxy authorization and instructions to proxies named by the company are attached to each admission ticket. A form to issue proxy authorization and instructions is also available in the internet at <http://investor.covestro.com/en/events/annual-general-meeting>. The proxy authorization and instructions to company-nominated proxies or cancellation of the proxy must be received by the company at the latest **by 6 p.m. on May 2, 2017** at the following address:

Covestro AG
c/o Computershare Operations Center
80249 Munich
Germany
Fax: +49 89 30903-74675

Proxy authorization and instructions to company-nominated proxies or any cancellation of the proxy may also be issued via the company's internet-based proxy and instruction system **up to 6 p.m. on May 2, 2017**. Shareholders can obtain access to the internet-based proxy and instruction system <http://investor.covestro.com/en/events/annual-general-meeting> using the data on their admission ticket.

5. Proposed additions to the agenda at minority request 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 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 the end of April 2, 2017.**

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

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.

Additions to the agenda that have to be announced will immediately after receipt of the request be published in the Federal Gazette (*Bundesanzeiger*) and disseminated throughout the European Union. They will also be made available at the internet address <http://investor.covestro.com/en/events/annual-general-meeting> and notified to the shareholders.

6. Motions and proposals for election submitted by shareholders in accordance with Sections 126 Paragraph 1 and 127 AktG

Counter-motions to resolutions proposed by the Board of Management and/or Supervisory Board on a specific item on the agenda and proposals from shareholders relating to the election of auditors (agenda item 5), 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 **by the end of April 18, 2017** at the above address, together with evidence of the shareholding, that have to be made available to the other shareholders, will be posted immediately in the internet at <http://investor.covestro.com/en/events/annual-general-meeting>. Any statement by the management will also be posted on this internet site.

This does not affect the right of any shareholder to propose counter-motions to the various agenda items and proposals for the election of the auditors at the Annual General Meeting, even without advance notification of the company by the deadline.

Please note that shareholders' counter-motions and election proposals can only be voted on at the Annual General Meeting if they are proposed at the Annual General Meeting, even if they were submitted to the company in advance by the deadline set.

7. Shareholders' right to information under Section 131 Paragraph 1 AktG

Every shareholder is entitled to request and receive information from the Board of Management at the Annual General Meeting on matters relating to the company, including information on the company's legal and business relationships with affiliated companies, the situation of the Group and the companies included in the consolidated financial statements, insofar as this is necessary for an objective assessment of items on the agenda.

The Board of Management may only refuse to answer individual questions on the grounds set forth in Section 131 Paragraph 3 of the AktG, for example, because providing the information could, on the basis of prudent business consideration, place the company or an affiliated company at a not inconsiderable disadvantage (e.g. there is no duty to disclose business secrets). The person chairing the Annual General Meeting may set reasonable time limits on the right of shareholders to speak and ask questions.

8. Publication on the internet site/supplementary information

This Notice of the Annual General Meeting, the documents to be made available, together with motions proposed by shareholders and further information, especially on attendance at the An-

nual General Meeting, the authorization of proxies and the issue of instructions can be found on the company's website at <http://investor.covestro.com/en/events/annual-general-meeting>. The voting results will also be posted here after the Annual General Meeting.

Shareholders will receive further details of attending the Annual General Meeting and issuing proxy authorization and voting instructions with their admission ticket.

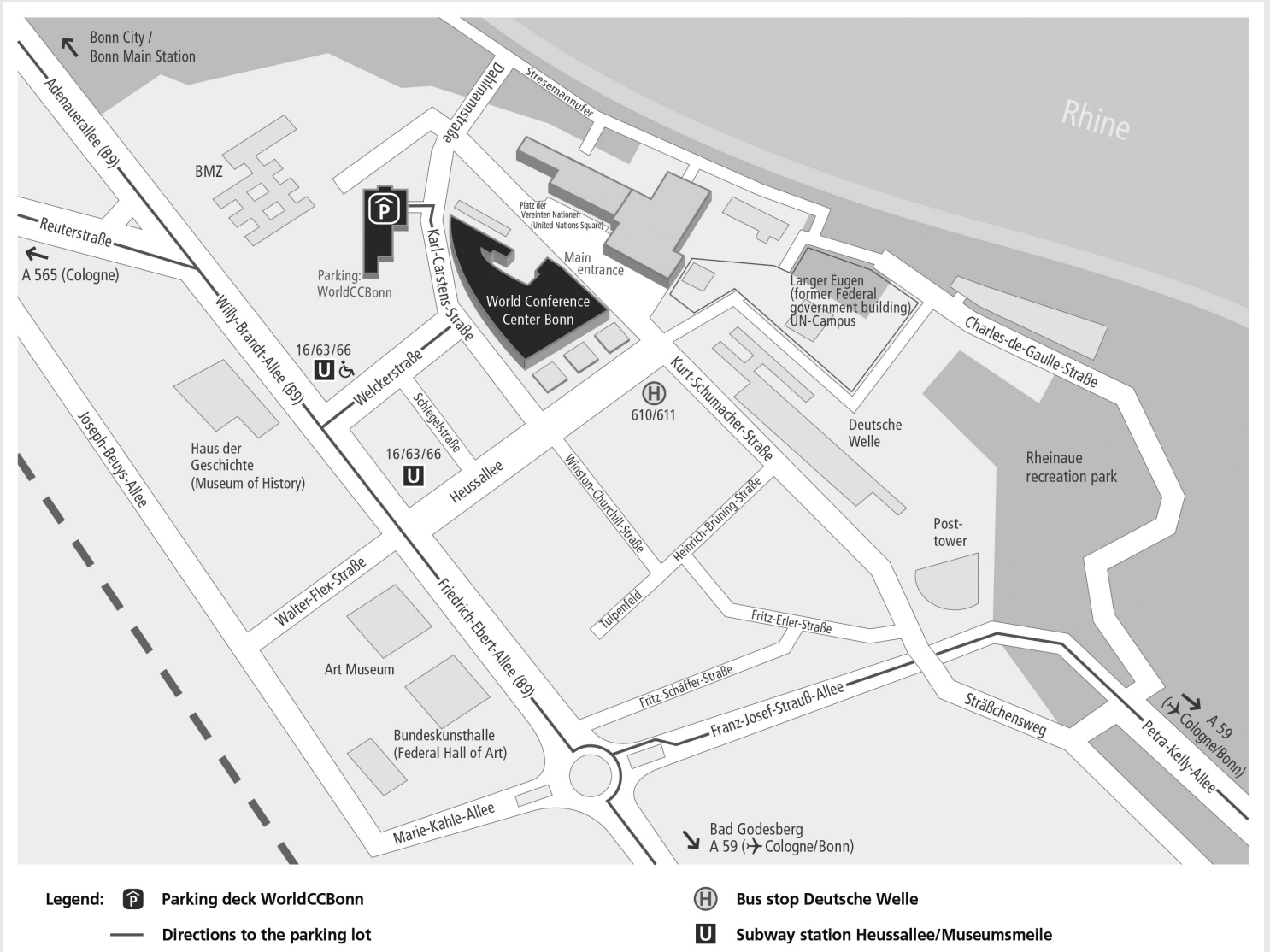
9. Transmission of the Annual General Meeting via the internet

All shareholders of the company and any interested members of the public can follow the opening of the Annual General Meeting by the chairman of the meeting and the report by the Board of Management live in the internet from around 10 a.m. at <http://investor.covestro.com/en/events/annual-general-meeting>.

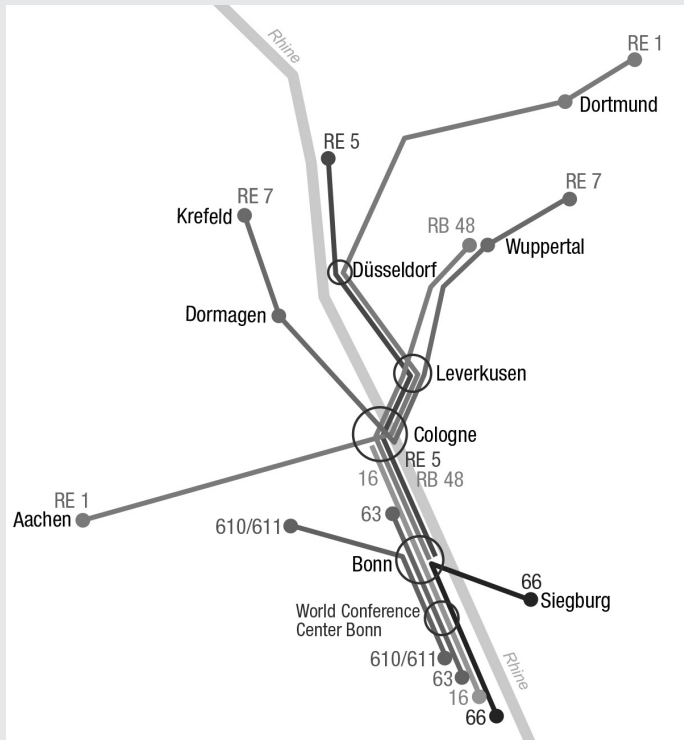
Leverkusen, March 2017

Covestro AG
The Board of Management

DIRECTIONS



ARRIVAL BY TRAIN





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