



Annual General Meeting of Covestro AG on May 3, 2017

Explanatory note regarding the election of the external auditor

The external auditor of Covestro is PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, trading under PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft since March 1, 2017 (PwC), Essen, Germany.

From fiscal 2015, the signatory auditors of the financial statements and consolidated financial statements of Covestro AG are Ms. Petra Justenhoven (left signatory) and Mr. Dietmar Prümm (right signatory). 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 mandatory auditor rotation as per Paragraphs 319 and 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.

This 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 auditors after a maximum ten-year period, subject to exemptions referenced per Paragraph 318 Section 1a and 1b HGB, as amended by the AReG.