

ANNUAL GENERAL MEETING 2020



BEYOND



Covestro AG

Leverkusen, Germany

WKN: 606214 / ISIN: DE0006062144

In view of the ongoing COVID-19 pandemic, the Board of Management of Covestro AG, with the approval of the Supervisory Board, has decided to take advantage of the option of holding a virtual Annual General Meeting in the interest of minimizing the health risks for the company's shareholders, employees and corporate officers as well as the service providers participating in planning and running our Annual General Meeting. The legal basis for this decision 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, which offers the option of holding annual general meetings in 2020 without the physical presence of the shareholders or their proxies (virtual Annual General Meeting).

Notice of the Annual General Meeting

We convene our Annual General Meeting for **Thursday, July 30, 2020, at 10:00 AM**. The Annual General Meeting will be held as a virtual Annual General Meeting without the physical presence of the shareholders and their proxies.

Running the meeting as a virtual Annual General Meeting results in modifications of Annual General Meeting processes and the rights of shareholders. We request that all shareholders pay particular attention this year to the provisions and explanations below in II. Further information, notes and reports.

Preface

Dear Shareholders,

The world has been facing unprecedented challenges as a result of the COVID-19 pandemic. This also applies to the economy and Covestro. Until now, Covestro has done a relatively good job at overcoming the crisis, thanks to intensified efforts and an impressive team spirit, and we are doing all that we can to make sure it stays this way. Considering the current situation, we have, however, decided in March to postpone this year's Annual General Meeting to July 30, 2020 and to not conduct it as a physical gathering, but in the form of a virtual Annual General Meeting to ensure everyone's safety. My colleagues on the Board of Management and I truly hope you understand the reasons for this measure and despite everything, that the event will meet with lively interest.

We will consider the past year, which was also marked by economic challenges for Covestro. Nevertheless, we met our targets and brought in a solid result. In light of the current developments caused by the pandemic, we would like to propose to the Annual General Meeting the payment of a dividend of €1.20 per share.

Both last year and the current crisis have very clearly demonstrated why our company is needed and will continue to be successful over the long term: Because we offer innovation solutions for the major trends of our time. Sustainability and digitalization are particular hallmarks of the global agenda, and the high-quality plastics Covestro develops and produces are indispensable for driving these topics forward.

For this as well, we will make our company even more powerful and sustainable. At the core is a comprehensive program on the circular economy that we set up last year and that will be with Covestro for a long time and change it profoundly. Yet we hope it will also contribute to accelerating the necessary transformation in the economy and society toward more sustainable patterns of production and consumption. We plan to play a pioneering role in this respect – for instance, by doing without fossil resources in the future as much as possible.

But we are working toward a sustainable, digitally-oriented future with our products, too, for example in order to support alternative drives, climate-friendly urban development and the most efficient use of renewable energy. We see considerable potential for growth in these and many other areas, and will continue to exploit it – in spite challenges that may arise and that we will courageously meet.

Kind regards and stay healthy!

Dr. Markus Steilemann
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, 2019**

These documents will be accessible on the company's website at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting> from the date of the notice convening the Annual General Meeting.

The annual financial statements for the fiscal year 2019 prepared by the Board of Management on February 14, 2020, were approved by the Supervisory Board on February 18, 2020, 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 German Stock Corporation Act 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 German Stock Corporation Act 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 the Supervisory Board propose using the distributable profit of €439,200,000.00 for fiscal 2019 reported in the annual financial statements to distribute €219,437,622.00 as a dividend to shareholders and to carry the remainder of €219,762,378.00 forward to new account. This corresponds to a dividend of €1.20 per no-par value share carrying dividend rights for 2019.

If the number of no-par value shares carrying dividend rights for fiscal 2019 changes before the Annual General Meeting, an amended resolution will be presented to the Annual General Meeting for a vote. In such a case, the proposed dividend will remain at €1.20 per no-par value share carrying dividend rights with a corresponding adjusted profit to be carried forward.

In accordance with Section 58, Paragraph 4, Sentence 2 German Stock Corporation Act, the dividend will be paid on the third business day following the resolution of the Annual General Meeting, i.e., on August 4, 2020.

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 fiscal year 2019 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 fiscal year 2019 be ratified for that period.

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

In line with the recommendation made by the Audit Committee, the Supervisory Board proposes that the Annual General Meeting elect KPMG AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the auditor for fiscal 2020, as the auditor for the review of the condensed interim financial statements and the interim management report as of June 30, 2020, and for any review of additional financial information of Covestro AG during fiscal 2020 and the first quarter of fiscal 2021.

6. Election to the Supervisory Board

The term of office of six members of Covestro AG's Supervisory Board elected by the Annual General Meeting ends with the close of the Annual General Meeting on July 30, 2020.

The Supervisory Board of Covestro AG has a total of 12 members, comprising six shareholder representatives and six members elected by employees in accordance with Section 8, Paragraph 1 of the Articles of Incorporation in conjunction with Section 96, Paragraphs 1 and 2 and Section 101, Paragraph 1 of the German Stock Corporation Act, and Section 7, Paragraph 1, Sentence 1, No. 1 of the German Codetermination Act.

The Rules of Procedure for the Supervisory Board do not include a rule governing whether the statutory provisions regarding gender representation must be met by the Supervisory Board as a whole or by the shareholder and employee representatives separately. The employee-elected members have objected to fulfillment of the quota by the Supervisory Board as a whole pursuant to Section 96, Paragraph 2, Sentence 3 of the German Stock Corporation Act. The statutory provisions regarding gender representation must therefore be met separately by the shareholder and employee sides of the Supervisory Board. This means the Board must have at least two female and at least two male shareholders as well as employee representatives in order to meet the minimum quota required by Section 96, Paragraph 2, Sentence 1 of the German Stock Corporation Act. At the date on which the Annual General Meeting was convened, the Supervisory Board of Covestro AG comprised two women and four men on both the shareholder representatives' and the employee representatives' sides. The election of the following proposed male and female candidates would also ensure that the minimum quota continues to be met.

In line with the recommendation made by the Nominations Committee, the Supervisory Board proposes that the following candidates be elected to the Supervisory Board as shareholder representatives:

- 1) Dr. Christine Maria Bortenlänger

Resident in Pullach

Executive Member of the Board
of Deutsches Aktieninstitut e.V.

2) Prof. Dr. Rolf Nonnenmacher

Resident in Berg

Member of various supervisory boards

3) Dr. Richard Pott

Resident in Leverkusen

Member of various supervisory boards

4) Regine Stachelhaus

Resident in Herrenberg

Member of various supervisory boards

5) Patrick W. Thomas

Resident in Buggiano, Italy

Member of various supervisory boards

Chief Executive Officer
of Covestro AG until May 31, 2018

– The candidates listed in 1) to 5) are elected in accordance with Section 8, Paragraph 2, Sentence 1 of the Articles of Incorporation for the period from the end of the Annual General Meeting on July 30, 2020, to the end of the Annual General Meeting that ratifies the Board's actions for the fourth fiscal year after the start of their term; the fiscal year in which their term begins is not included in this calculation.

6) Ferdinando Falco Beccalli

Resident in Zurich, Switzerland

Chairman of the Board, Falco Enterprises AG

– The candidate listed in 6) is elected in accordance with Section 8, Paragraph 2, Sentence 2 of the Articles of Incorporation for the period from the end of the Annual General Meeting on July 30, 2020, to the end of the Annual General Meeting that ratifies the Board's actions for the first fiscal year after the start of their term; the fiscal year in which their term begins is not included in this calculation.

The proposed Supervisory Board candidates fulfill the targets agreed by the Supervisory Board for its composition in accordance with the German Corporate Governance Code (GCGC)* and aim to complete the skills profile developed by the Supervisory Board for the body as a whole. In addition, the Supervisory Board has obtained assurance from each of the proposed candidates that they will be able to make the time commitment expected for this office.

The candidates will be voted on individually in compliance with the GCGC.

Please note that if he is elected, Dr. Richard Pott Chair will be nominated to be Supervisory Board Chair.

Item II.15. following the agenda outlines the curricula vitae of the proposed candidates, and provides information about memberships in supervisory boards and comparable supervising bodies along with other information about the proposed candidates.

* The German Corporate Governance Code in the version of February 7, 2017; see also Covestro AG's declaration of conformity from October 2019.

7. Resolution on rescinding the existing Authorized Capital 2015, creating Authorized Capital 2020 in return for cash contributions and/or contributions in kind with the option to disapply subscription rights, and on the corresponding amendments to the Articles of Incorporation

The authorized capital governed by Section 4, Paragraph 2 of the Articles of Incorporation expires on October 2, 2020. For this reason, the provision on the authorized capital included to date in Section 4, Paragraph 2 of the Articles of Incorporation shall be rescinded and new Authorized Capital 2020 created in return for cash contributions and/or contributions in kind that will replace the existing unused authorized capital and will amount to 40% of the capital stock.

The Supervisory Board and Board of Management therefore propose the following resolution:

- a) Insofar as it still exists at that time, the authorized capital in Section 4, Paragraph 2 of the Articles of Incorporation will be rescinded effective from the date of registration of the new authorized capital resolved as follows.
- b) The Board of Management, with the approval of the Supervisory Board, is hereby authorized to increase the capital stock in the period up to July 29, 2025, by a total of up to €73,200,000.00 by issuing new, no-par value bearer shares in return for cash contributions and/or contributions in kind. The authorization can also be used in one or more installments. The new shares participate in the profit from the beginning of the fiscal year in which they are issued. However, in contrast to Section 60, Paragraph 2 of the

German Stock Corporation Act and to the extent permissible by law, the Board of Management, with the approval of the Supervisory Board, can specify that the new shares will participate in the profit from the beginning of a prior fiscal year for which, at the time of their issue, the Annual General Meeting has not yet adopted a resolution on the use of the distributable profit. The Board of Management is authorized, with the approval of the Supervisory Board, to specify the further details of the capital increase and its execution.

The Board of Management is further authorized, with the approval of the Supervisory Board, to disapply subscription rights for capital increases in return for contributions in kind, particularly as part of mergers of companies or the direct (and indirect) acquisition of companies, businesses, divisions of companies, equity interests or other assets or claims to the acquisition of assets, including receivables in respect of the company or its Group companies.

In the case of capital increases in return for cash contributions, new share must generally be offered for subscription to shareholders; they can also be offered to credit institutions or companies within the meaning of Section 186, Paragraph 5, Sentence 1 of the German Stock Corporation Act with the obligation to offer them for subscription to shareholders. However, the Board of Management is authorized, with the approval of the Supervisory Board, to disapply the subscription rights of shareholders for cash capital increases,

- where this is necessary when the subscription ratio gives rise to fractional amounts,
- to grant the holders or creditors of warrants/ conversion rights on shares of the company or corresponding exercise/conversion obligations arising from bonds issued or guaranteed by Covestro AG or its Group companies subscription rights to compensate for dilution to the extent to which they would be entitled after exercising these warrants/conversion rights or after fulfilling these exercise/conversion obligations,
- if the issue price of the new shares does not fall significantly below the market price of the shares of the company already listed. The proportionate interest in the capital stock attributable to the shares issued in return for cash contributions pursuant to Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act is not permitted to exceed 10% of the capital stock. The capital stock used for this calculation is the capital stock on the date this authorization enters into force – or if this amount is lower – at the date this authorization is exercised. The shares to be included in calculating this limit are those that are issued or sold during the term of this authorization up to the date of its exercise by direct or analogous application of this provision. In addition, shares issued or granted or to be issued or granted based on a convertible bond or warrant bond issued during the term of this authorization while disapplying subscription rights in accordance with Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act are also included in this calculation,

- c) The authorized capital governed by Section 4, Paragraph 2 of the Articles of Incorporation shall be deleted and Section 4, Paragraph 2 of the Articles of Incorporation amended as follows:

“(2) The Board of Management, with the approval of the Supervisory Board, is hereby authorized to increase the capital stock in the period up to July 29, 2025, by a total of up to €73,200,000.00 by issuing new, no-par value bearer shares in return for cash contributions and/or contributions in kind. The authorization can also be used in one or more installments. The new shares participate in the profit from the beginning of the fiscal year in which they are issued. However, in contrast to Section 60, Paragraph 2 of the German Stock Corporation Act and to the extent permissible by law, the Board of Management, with the approval of the Supervisory Board, can specify that the new shares will participate in the profit from the beginning of a prior fiscal year for which, at the time of their issue, the Annual General Meeting has not yet adopted a resolution on the use of the distributable profit. The Board of Management is authorized, with the approval of the Supervisory Board, to specify further details for the capital increase and its execution (Authorized Capital 2020).

Furthermore, the Board of Management is authorized, with the approval of the Supervisory Board, to disapply subscription rights for capital increases in return for contributions in kind, particularly as part of mergers or the direct (and indirect) acquisition of companies, businesses, divisions of companies, equity interests or other assets or claims to the

acquisition of assets, including receivables in respect of the company or its Group companies.

In the case of capital increases in return for cash contributions, new share must generally be offered for subscription to shareholders; they can also be offered to credit institutions or companies within the meaning of Section 186, Paragraph 5, Sentence 1 of the German Stock Corporation Act with the obligation to offer them for subscription to shareholders. However, the Board of Management is authorized, with the approval of the Supervisory Board, to disapply the subscription rights of shareholders for cash capital increases,

- where this is necessary when the subscription ratio gives rise to fractional amounts,
- to grant the holders or creditors of warrants/conversion rights on shares of the company or corresponding exercise/conversion obligations arising from bonds issued or guaranteed by Covestro AG or its Group companies subscription rights to compensate for dilution to the extent to which they would be entitled after exercising these warrants/conversion rights or after fulfilling these exercise/conversion obligations,
- if the issue price of the new shares does not fall significantly below the market price of the shares of the company already listed. The proportionate interest in the capital stock attributable to the shares issued in return for cash contributions pursuant to Section 186, Paragraph 3,

Sentence 4 of the German Stock Corporation Act is not permitted to exceed 10% of the capital stock. The capital stock used for this calculation is the capital stock on the date this authorization enters into force – or if this amount is lower – at the date this authorization is exercised. The shares to be included in calculating this limit are those that are issued or sold during the term of this authorization up to the date of its exercise by direct or analogous application of this provision. In addition, shares issued or granted or to be issued or granted based on a convertible bond or warrant bond issued during the term of this authorization while disapplying subscription rights in accordance with Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act are also included in this calculation.”

- d) The Supervisory Board is authorized to modify Section 4 of the Articles of Incorporation in accordance with the amount of Authorized Capital 2020 used in each case as well as following expiration of the authorization.

Against the backdrop of the proposed authorization on increasing the capital stock, the Board of Management has produced a written report on the reasons the Board should be authorized to disapply the subscription rights of shareholders in certain cases. The report is published in Item II.13. following the agenda and is available on the company’s website at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>

starting from the date the Annual General Meeting is convened. Upon request, a free copy will be provided to any shareholder without delay.

Moreover, the Board of Management has made a voluntary commitment to limit capital increases from the Authorized Capital 2020 proposed in agenda item 7 and the Conditional Capital 2020 proposed in agenda item 8. This voluntary commitment is published in II.14. following the agenda.

8. Resolution on rescinding the existing and granting the Board of Management a new authorization to issue convertible/warrant bonds, to disapply subscription rights, to rescind the existing Conditional Capital 2015 and to create a Conditional Capital 2020, and to amend the Articles of Incorporation accordingly.

The authorization approved by the Annual General Meeting on September 1, 2015, under agenda item 1 on the issue of convertible/warrant bonds expires on August 31, 2020. The authorization was not exercised and will no longer be exercised before its expiration; accordingly, the corresponding Conditional Capital 2015 is no longer required. The Board of Management should therefore be reauthorized to issue convertible/warrant bonds, the Conditional Capital 2015 should be rescinded and the new Conditional Capital 2020 should be approved.

The Supervisory Board and Board of Management therefore propose the following resolution:

- a) Authorization to issue convertible/warrant bonds and to disapply subscription rights
 - (1) General information, limits, issuance in return for cash contributions or contributions in kind and by Group companies, term of the authorization

The Board of Management is hereby authorized to issue, once or several times, including simultaneously in various tranches, subordinated or non-subordinated convertible/warrant bonds with a total par value of up to €2,000,000,000.00 and, in this context, to grant conversion rights, exchange rights or warrants or impose conversion obligations on, at the time of their respective inception, a total of up to 18,300,000 no-par value bearer shares of Covestro AG (Covestro Shares) with a proportionate interest in the capital stock totaling up to €18,300,000.00. The authorization also includes the possibility of assuming the required guarantees for convertible/warrant bonds issued by Covestro's Group companies and of issuing additional commitments and taking additional actions required for their successful issue. Furthermore, the authorization includes the possibility of granting Covestro shares in the cases stipulated in the bond or warrant terms (hereinafter: Bond Terms).

The authorization covers all convertible/warrant bonds meeting the legal requirements in Section 221 of the German Stock Corporation Act. They can also stip-

ulate exchange rights for the issuer or Covestro AG, in particular the right to substitute Covestro shares for the obligations originally owed thereunder (including as a tender right, substitution right or repayment option), and therefore, upon issue, or under the condition of a separate declaration by the issuer or Covestro AG on the exercise of exchange rights, or under other conditions, establish the obligation to deliver Covestro shares or conversion rights/warrants or conversion/exercise obligations on Covestro shares (in any combination), specifically at the end of the term or at other times (including all of the structures stipulated in this resolution, hereinafter: "Bonds"). The Bonds can be issued for financing purposes (obtaining debt capital or equity) as well as for other purposes, such as optimizing the company's capital structure.

The Bonds can be issued in return for cash contributions and/or contributions in kind, particularly equity investments in other companies. Warrant bonds can be issued in return for contributions in kind, insofar as the warrant terms allow for the exercise price per Covestro share to be paid fully in cash upon exercise. The par value or an issue price falling below the par value of Bonds may also be selected such that, at the time of issue, it equals the proportionate interest in the capital stock of the shares to be acquired pursuant to the Bond Terms; it is not required to exceed this amount.

The authorization is in effect for the issue of Bonds until July 29, 2025. If a Bond stipulates an obligation to deliver Covestro shares or conversion rights/warrants or conversion/exercise obligations on Covestro shares only after a declaration on exercising an exchange right of the issuer of Covestro AG, the declaration must be issued by July 29, 2025.

(2) Conversion/exercise price per share

In the case of warrant bonds, options are attached to each Bond in the form of one or several warrants entitling or obligating the holders or creditors to subscribe for Covestro shares in accordance with the Bond Terms, or including an exchange right for the issuer or Covestro AG.

In the case of convertible bonds, the holders or creditors of the convertible bonds are granted the right or have the obligation to convert their convertible bonds into Covestro shares in accordance with the Bond Terms.

In all cases, the conversion/exchange ratio or subscription ratio is calculated by dividing the par value, or the issue price of a Bond falling below the par value, or the amount owed upon exercise of a warrant according to the warrant terms by the conversion or exercise price for a Covestro share specified in each case.

The applicable conversion/exercise price per share upon issue is not permitted to fall below 80% of the price of Covestro

shares in Xetra trading (or a comparable successor system) in the case of Bonds with exchange or subscription rights of the creditors already existing upon issue. The applicable price is the average closing price on the ten trading days prior to the final decision by the Board of Management on the issue of Bonds or on the declaration of acceptance by the company following a public tender to submit subscription offers. If the subscription rights of shareholders are not disapplied, the applicable price can instead be the price on trading days during the subscription period (with the exception of the days during the subscription period required to timely publicize the conversion/exercise price pursuant to Section 186, Paragraph 2 of the German Stock Corporation Act). In the case of Bonds with a conversion/exercise obligation or an exchange right for the issuer or Covestro AG, the conversion/exercise price or the reference price for Covestro shares used to calculate the conversion/exercise price must at least amount to either the aforementioned minimum price or the average, volume-weighted price of Covestro shares on at least three trading days in Xetra trading (or a comparable successor system) immediately prior to calculation of the conversion/exercise price in accordance with the Bond Terms, even if this average price and the applicable conversion/exercise price derived therefrom fall below the aforementioned minimum price (80%).

This shall not affect Section 9, Paragraph 1 or Section 199, Paragraph 2 of the German Stock Corporation Act.

(3) Dilution protection, adjustments and other structuring options

The authorization also includes the possibility of granting dilution protection or making adjustments in certain cases in accordance with the Bond terms. Dilution protection or adjustments can be provided for particularly in the case of changes in the company's capital (e.g., a capital increase or decrease or a stock split) during the term of the Bonds or warrants as well as in connection with dividend payments, the issue of additional convertible/warrant bonds, and conversion measures, and in the case of other events affecting the value of the warrants or conversion rights that occur during the term of the Bonds or warrants (e.g., control gained by a third party). The main ways of providing dilution protection or adjustments are by granting subscription rights, by changing the conversion/exercise price, or by changing or granting cash components.

The Board of Management is authorized, with the approval of the Supervisory Board, to stipulate the issuing conditions and the other terms of the Bonds or warrants, or to determine these in conjunction with the issuing Group company. The Bond Terms can also provide for the following structuring options in particular:

- whether and under which conditions, e.g., based on an option exercised by the issuer or Covestro AG, settlement can be from conditional capital (particularly the new Conditional Capital

2020 to be created based on this authorization), from authorized capital existing or to be created, from treasury shares existing or to be acquired, or whether and under which conditions the payment of compensation in cash or the delivery of other securities tradeable on an exchange within the meaning of Section 2, Paragraph 22 of the German Securities Trading Act can be provided for in place of the delivery of Covestro shares;

- whether the Bonds or warrants are in bearer or registered form;
- the number and structure of the warrants (including differently structured warrants) to be attached to each bond and whether these are separable upon issue or thereafter;
- the coupon rates and – also unlimited or different – terms of the Bonds or warrants;
- the structure of the bond component, which can also include exchangeable, mandatory exchangeable or hybrid bonds;
- whether the payment of the exercise price for warrants can be settled in whole or in part by transferring bonds (trade-in);
- whether a Bond includes an exchange right for the issuer or Covestro AG that allows Covestro shares to be granted instead of settlement of the obligation

securitized by the bond, e.g., delivery of securities or payment of a cash amount due;

- whether the conversion/exercise prices or the conversion, subscription or exchange ratios are to be calculated upon the bonds being issued or during the term of the bonds or warrants and how these prices/ratios are to be determined (including minimum and maximum prices and variable forms or calculation on the basis of future quoted prices);
- whether and how a conversion ratio will be rounded to next whole number;
- whether an additional payment to be settled in cash or cash compensation for fractions is stipulated;
- how details concerning exercise, the fulfillment of obligations or rights, deadlines and the determination of conversion/exercise prices will be determined in the case of mandatory conversions or the fulfillment of exercise obligations or tender rights;
- whether the Bonds will be issued in euro or in other legal currencies of OECD countries. In the event the Bonds are issued in foreign currencies, the par value of the Bonds on the date of each issue decision must be translated to euro to calculate the total par value limit of this authorization.

(4) Subscription rights, authorization to disapply subscription rights

The Bonds must generally be offered for subscription to shareholders; they can also be offered to credit institutions or companies within the meaning of Section 186, Paragraph 5, Sentence 1 of the German Stock Corporation Act with the obligation to offer them for subscription to shareholders. However, the Board of Management is authorized, with the approval of the Supervisory Board, to disapply subscription rights,

- insofar as the Bonds are issued against cash contributions, and the issue price of a Bond does not fall significantly below its theoretical market value as determined in accordance with recognized actuarial principles. The proportional interest in the capital stock attributable to those shares to be issued or granted based on Bonds issued under this authorization while disapplying subscription rights pursuant to Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act, is not permitted to exceed 10% of the existing capital stock. The capital stock used for this calculation is the capital stock on the date this authorization enters into force – or if this amount is lower – at the date this authorization is exercised. The shares to be included in calculating this limit are those that are issued or sold during the term of this authorization up to the date of its exer-

cise by direct or analogous application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. In addition, shares issued or granted or to be issued or granted based on a convertible bond or warrant bond issued during the term of this authorization while disapplying subscription rights in accordance with Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act are also included in this calculation,

- if the Bonds are issued in return for contributions in kind, particularly as part of mergers of companies or the direct (and indirect) acquisition of companies, businesses, divisions of companies, equity interests or other assets or claims to the acquisition of assets, including receivables in respect of the company or its Group companies,
- where this is necessary when the subscription ratio gives rise to fractional amounts,
- to grant the holders or creditors of warrants/conversion rights on shares of the company or corresponding exercise/conversion obligations arising from bonds issued or guaranteed by Covestro AG or its Group companies subscription rights to compensate for dilution to the extent to which they would be entitled after exercising these warrants/conversion rights or after fulfilling these exercise/conversion obligations.

b) Rescinding the existing authorization and Conditional Capital 2015

The authorization approved by the Annual General Meeting on September 1, 2015, under agenda item 1 and the associated conditional capital totaling €70,000,000.00 governed by Section 4, Paragraph 3 of the Articles of Incorporation are hereby rescinded.

c) Creation of a Conditional Capital 2020

In order to grant shares to the holders or creditors of convertible/warrant bonds to be issued based on the above authorization in accordance with a), the capital stock of up to €18,300,000.00 will be conditionally increased by issuing up to 18,300,000 no-par value bearer shares. The conditional capital increase by way of the issue of up to 18,300,000 no-par value bearer shares carrying dividend rights from the beginning of the fiscal year in which they were issued will only be carried out to the extent that the holders or creditors of convertible bonds or warrants attached to warrant bonds issued based on the above authorization in accordance with a) by Covestro AG or by a Group company up to July 29, 2025, exercise their conversion rights/warrants, fulfill their conversion/exercise obligations, or shares are tendered and no other types of settlement are used. The new shares are issued in accordance with the authorizing resolution referred to above at the exercise or conversion price to be determined in the Bond Terms or warrant terms. The Board of Management is authorized, with the approval of the Supervisory Board, to specify further details for the capital increase and its execution (Conditional Capital 2020).

d) Amendments to the Articles of Incorporation

Section 4, Paragraph 3 of the Articles of Incorporation is amended as follows:

“(3) The capital stock shall be conditionally increased to up to €18,300,000.00. The conditional capital increase by way of the issue of up to 18,300,000 no-par value bearer shares carrying dividend rights from the beginning of the fiscal year in which they were issued will only be carried out to the extent that the holders or creditors of convertible bonds or warrants attached to warrant bonds issued based on the authorization of the Board of Management approved by the Annual General Meeting on July 30, 2020, by Covestro AG or by a Group company up to July 29, 2025, exercise their conversion rights/warrants, fulfill their conversion/exercise obligations, or shares are tendered and no other types of settlement are used. The new shares are issued in accordance with the authorizing resolution referred to above at the exercise or conversion price to be determined in the Bond Terms or warrant terms. The Board of Management is authorized, with the consent of the Supervisory Board, to specify further details for the capital increase and its execution (Conditional Capital 2020).”

e) Authorization of the Supervisory Board to amend the Articles of Incorporation

The Supervisory Board is authorized to modify Section 4 of the Articles of Incorporation in accordance with the amount of Authorized Capital 2020 used in each case. The same is true in the event the authorization is not used to issue convertible/warrant bonds after

expiration of the authorization period and in the event the Conditional Capital 2020 is not used or is not used in full after expiration of all conversion/exercise periods.

Against the backdrop of the aforementioned proposed authorization to issue convertible/warrant bonds, the Board of Management has produced a written report on the reasons the Board should be authorized to disapply the subscription rights of shareholders in certain cases. The report is published in Item II.14. following the agenda and is available on the company's website at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting> starting from the date the Annual General Meeting is convened. Upon request, a free copy will be provided to any shareholder without delay.

Moreover, the Board of Management has made a voluntary commitment to limit capital increases from the Authorized Capital 2020 proposed in agenda item 7 and the Conditional Capital 2020 proposed in agenda item 8. This is also published in II.14. following the agenda.

9. Amendment of Sections 3, 14 and 15, Paragraph 2 of the Articles of Incorporation to adapt to the German Act Implementing the Second Shareholder Rights Directive ("ARUG II")

The German Act Implementing the Second Shareholder Rights Directive ("ARUG II") of December 12, 2019, led to various amendments to the German Stock Corporation Act in line with which the Articles of Incorporation must be modified, including the associated consequential amendments.

The Supervisory Board and the Board of Management therefore propose the following resolution:

- a) In Section 3 of the Articles of Incorporation, the title is hereby amended, a new Paragraph 3 added and Section 3 of the Articles of Incorporation as a whole therefore restated as follows:

“Section 3 – Fiscal year, Notices, Dissemination of Information, Place of Jurisdiction

- (1) The fiscal year is the calendar year. The period between formation of the company and December 31, 2015, is a short fiscal year.
- (2) Company notices will be published in the Federal Gazette (Bundesanzeiger). If a different form of notification is required by law, this form of notification will take the place of publication in the Federal Gazette.
- (3) Information can also be disseminated to the company’s shareholders by electronic means to the extent permitted by law.
- (4) The place of jurisdiction for all disputes between the company and its shareholders is the location of the company’s registered office. Foreign courts have no jurisdiction over such disputes.”

- b) Section 14 of the Articles of Incorporation is amended as follows:

“Section 14– Convening the Annual General Meeting

The Annual General Meeting is convened by the Board of Management, provided other persons are not authorized to do so by law. Provided no shorter period of time is permitted by law, the Annual General Meeting must be convened at least thirty days prior to the date of the meeting. In calculating this period, the day the meeting is convened and the day it takes place are excluded. The minimum period is extended by the days stipulated for the registration period (Section 15, Paragraph 1).”

- c) Section 15, Paragraph 2 of the Articles of Incorporation is amended as follows:

“Shareholders must also provide proof that they are entitled to attend the Annual General Meeting and exercise voting rights. Proof of ownership of the shareholding in text form (Section 126b of the German Civil Code) issued by the last intermediary in accordance with Section 67c, Paragraph 3 of the German Stock Corporation Act is sufficient for this purpose. The proof of ownership must refer to the start of the 21st day prior to the Annual General Meeting. It must be received by the company at the address provided in the notice of the Annual General Meeting at least six days prior to the Annual General Meeting, excluding the date of receipt and the date of the Annual General Meeting. The notice of the Annual General Meeting may stipulate a shorter deadline in days.”

- d) The Board of Management is instructed not to submit the amendment to the Articles of Incorporation resolved under agenda item 9. c) for registration in the commercial register prior to September 3, 2020 (or, if the applicability of ARUG II were to be delayed until a later date, no earlier than this later date).

10. Amendment of Sections 10, 15 and 16 of the Articles of Incorporation

Additional amendments to the Articles of Incorporation are proposed with a view in particular to the growing importance of digitalization and the possibility of non-physical participation in meetings and annual general meetings.

The Supervisory Board and the Board of Management therefore propose the following resolution:

- a) Section 10, Paragraph 3, Sentence 5 of the Articles of Incorporation is amended as follows:

“A belated vote may be cast by an absent member only if the Chairperson of the Supervisory Board or, if the Chairperson of the Supervisory Board is not available, the deputy chair permits this prior to the vote in the meeting for all absent members of the Supervisory Board within a period to be set by the Chairperson of the Supervisory Board/deputy chair; the other members of the Supervisory Board have no right of objection to this.”

- b) Section 10, Paragraph 5 of the Articles of Incorporation is amended as follows:

“The Chairperson of the Supervisory Board can also initiate voting on a resolution by the Supervisory Board in the following ways:

- (a) outside of meetings by casting votes in writing or by telephone, or by casting votes by video conference or some other electronic medium (e.g., email or fax), including by circular or circular call, or by casting votes using a combination of the aforementioned communication channels, as well as
- (b) by combining a meeting and the Supervisory Board members not participating in the meeting by casting votes by the means described in (a).

The members of the Supervisory Board are not entitled to a right to object to the form of voting authorized by the Chairperson of the Supervisory Board. Resolutions passed in accordance with this Paragraph 5 shall be set forth in writing by the Chairperson of the Supervisory Board and recorded in the minutes of the next meeting.”

- c) A new Paragraph 4 is added to Section 15 of the Articles of Incorporation as follows:

“The Chairperson of the Supervisory Board is authorized to arrange the shareholders to be able to participate in the Annual General Meeting even without being present on site and without a proxy and to be able to exercise all or individual rights in full or in part by electronic means of communication. The Chairperson is entitled to determine the details of the process.”

The former Section 15, Paragraph 4 of the Articles of Incorporation hereby becomes Section 15, Paragraph 5 of the Articles of Incorporation.

- d) A new Paragraph 4 is added to Section 16 of the Articles of Incorporation as follows:

“The members of the Board of Management and the Supervisory Board should attend the Annual General Meeting in person. If it is not possible for a Supervisory Board member to be present at the site of the Annual General Meeting, because that member is located abroad or at another distant location, the member is permitted to participate in the Annual General Meeting by way of audio and video transmission.”

The former Section 16, Paragraph 4 of the Articles of Incorporation hereby becomes Section 16, Paragraph 5 of the Articles of Incorporation.

II. Further information, notes and reports

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 €183,000,000.00 and is divided into 183,000,000 bearer shares, each of which confers one vote. On the date of issue of this notice, the company holds 135,315 treasury shares. Thus, the total number of shares eligible to participate in the meeting and to exercise voting rights is 182,864,685 as of the date of this notice.

2. Publication on the website/ Supplementary information

This notice of the Annual General Meeting, the documents to be made available, together with motions proposed by shareholders, explanatory notes to the shareholders' rights pursuant to Section 122 Paragraph 2, Section 126 Paragraph 1, Section 127, and Section 131 Paragraph 1 of the German Stock Corporation Act (in each case – if applicable – in conjunction with the provisions of C19-AuswBekG) and additional information, especially on participation in the Annual General Meeting, and on absentee voting as well as the authorization of proxies and the issue of instructions can be found on the company's website at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>.

A video and audio broadcast of the entire meeting will be available on the aforementioned website. The meeting will be broadcast from Platz der Vereinten Nationen 2, Bonn, Germany. The notary tasked with writing the minutes of the Annual General Meeting will also be present.

Please also visit the above website to access the password-protected online InvestorPortal, which enables duly registered shareholders to exercise their voting rights prior to and during the Annual General Meeting, among other things. Duly registered shareholders will be sent a registration confirmation with additional information on exercising their rights instead of the usual entrance ticket. The registration confirmation also includes the login information that shareholders can use to access the InvestorPortal at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>.

In addition, the voting results will be published on the website after the Annual General Meeting.

The opening address by the Chairman of the meeting and the speeches of the Chief Executive Officer and Chief Financial Officer are also available after the Annual General Meeting on the company's website at <https://www.covestro.com/de/investors/financial-calendar/annual-general-meeting>.

3. Holding the Annual General Meeting as a virtual Annual General Meeting without the physical presence of the shareholders and their proxies, Audio and video broadcast

In view of the COVID-19 pandemic, the Annual General Meeting will be held on July 30, 2020, as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies in accordance with C19-AuswBekG. The shareholders and their proxies (with the exception of company-nominated proxies) are therefore not able to participate in the Annual General Meeting in person.

The live video and audio broadcast of the entire Annual General Meeting will be available to registered shareholders in the InvestorPortal at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>. In addition, shareholders and interested members of the public can watch a freely available online broadcast of the entire Annual General Meeting live at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>.

Please note that the right to participate in this year's virtual Annual General Meeting can only be exercised by granting proxy authorization to company-nominated proxies. In addition, the exercise of voting rights, even without participation in the Annual General Meeting, is possible by way of written or electronic absentee voting. Other persons may also be authorized; they must then take part in absentee voting or (sub-)authorize company-nominated proxies. Details on this process are outlined below.

4. InvestorPortal

The company will operate the InvestorPortal for the use of duly registered shareholders from July 9, 2020, to the end of the Annual General Meeting on July 30, 2020, at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>. Duly registered shareholders (and their proxies, if applicable) can use the InvestorPortal to exercise voting rights, grant proxy authorization, submit questions and object for the record. Using the InvestorPortal requires shareholders to log in with the login information received along with the registration confirmation. The various options for exercising shareholder rights are presented on buttons and in menus on the user interface of the InvestorPortal.

Additional details concerning the InvestorPortal are provided to shareholders along with their registration confirmation or online at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>.

5. Conditions for participation in 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., on July 9, 2020, at 00:00** (record date), and who register for the Annual General Meeting are eligible to participate in the Annual General Meeting and to exercise voting rights.

The registration and the evidence of the shareholding provided by the depositary bank or financial services institution as of the record date must be submitted to the registration address given below, **by the end of July 23, 2020** at the latest. Registration and the evidence of the shareholding must be submitted in text form (Section 126b of the German Civil Code) and must be in German or English.

Registration address:

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

Depositary institutions normally undertake the registration process and submission of evidence of shareholdings on behalf of their clients. Shareholders are therefore requested to contact their depositary institution as soon as possible and, at the same time, to order a registration confirmation for the Annual General Meeting.

6. Significance of the record date

Eligibility to participate in 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 participate in the virtual 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 participate in the Annual General Meeting and the number of voting rights are based exclusively on the shares held by the shareholder on the record date. Selling the shares after the record date has no impact on the eligibility to participate in 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 participate in 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.

7. Absentee Voting

Shareholders with voting rights (or their proxies) can cast their votes in writing or by electronic means of communication without participating in the Annual General Meeting (absentee voting).

Prior to the Annual General Meeting, you are provided with an absentee ballot form for this purpose that is printed on the registration confirmation. Moreover, an absentee ballot form is also available online at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>. If you use the absentee ballot form, you may send it only to the following mailing address, fax number or email address. It must be received by **Wednesday, July 29, 2020, 24:00** (date of receipt):

Covestro AG
c/o Computershare Operations Center
80249 Munich
Fax: +49 (0) 89 30903-74675
Email: Covestro-HV2020@computershare.de

Absentee ballots that cannot be matched unequivocally to a properly executed registration will not be counted.

In addition, the InvestorPortal at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting> will be available to you prior to and during the Annual General Meeting for purposes of exercising your voting rights by way of an (electronic) absentee ballot. Voting by (electronic) absentee ballot is also possible up to the start of voting at the Annual General Meeting.

Up to the start of voting, absentee ballots already submitted in writing or electronically can still be changed or withdrawn in the InvestorPortal.

Additional information on absentee voting is provided in the registration confirmation sent to duly registered shareholders.

8. Proxy voting procedure

Authorization of a third party

Shareholders can also be represented by a proxy, e.g., a credit institution or intermediary, a proxy voting consultant or a shareholders' association, and exercise their voting rights and other rights by way of this proxy. Registration for the Annual General Meeting and submission of evidence of the shareholding by the deadline is also necessary in such cases.

Granting and revoking proxy authorization and evidence thereof must be submitted to the company in text form (Section 126b of the German Civil Code) if no proxy authorization is granted in accordance with Section 135 of the German Stock Corporation Act. Shareholders can use the proxy form to appoint a proxy, which is also printed on the registration confirmation and can also be downloaded from <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>. However, shareholders can also issue a separate proxy authorization in text form (Section 126b of the German Civil Code).

When proxy authorizations are issued for the purpose of exercising voting rights in accordance with Section 135 of the German Stock Corporation Act (granting of a proxy to intermediaries, proxy voting consultants, shareholders' associations or professional agents), the proxy must have a verifiable record of the proxy authorization. In addition, the proxy authorization must be complete and may only include declarations associated with the exercise of voting rights. In these cases, please therefore coordinate with the person you wish to be your proxy about the format of the proxy authorization.

Proxy authorization can be issued to the proxy or to the company. Evidence of an issued proxy authorization can be provided by the proxy by sending the proof (e.g., the original proxy authorization or a photocopied or scanned copy) by mail, fax or email to:

Covestro AG
c/o Computershare Operations Center
80249 Munich
Fax: +49 (0) 89 30903-74675
Email: Covestro-HV2020@computershare.de

The aforementioned communication channels are also available for shareholders who intend to issue the proxy authorization by making a declaration to the company; no separate proof of the proxy authorization is required in this case. A proxy authorization already issued can be revoked by sending a declaration directly to the company by way of the aforementioned communication channels.

If a proxy authorization is issued or proof of a proxy authorization or its revocation by way of a declaration to the company is sent by mail, it must be received by the company by **Wednesday, July 29, 2020, 24:00** (date of receipt), for organizational reasons. Such documentation can be transmitted to the company by fax or email even on the day of the Annual General Meeting until its end.

In addition, proxy authorizations can be issued prior to, during and up to the end of the Annual General Meeting electronically via the Investor-Portal.

The use of the InvestorPortal by a proxy requires that the proxy receives from the issuer of the proxy the login information sent to the issuer of the proxy along with the registration confirmation.

We recommend that credit institutions, shareholders' associations, proxy voting consultants and other intermediaries or the equivalent in accordance with Section 135 of the German Stock Corporation Act who are representing a majority of shareholders contact the registration office at the aforementioned address regarding the exercise of the voting rights prior to the Annual General Meeting.

In cases where a credit institution, shareholders' association or other third party is authorized to act as proxy, the actual votes must ultimately be cast by the company-nominated proxies (see next section) or by the proxy in an absentee ballot (see above, II.7.).

Granting proxy authorization to company-nominated proxies

In addition, shareholders who have duly registered 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. 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 (Section 126b of the German Civil Code). Forms to issue proxy authorization and instructions to proxies named by the company are also printed on the registration confirmation. A form to issue proxy authorization and instructions is also available online at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>. The proxy authorization and instructions for company-nominated proxies using the aforementioned proxy authorization and instruction form and their revocation can be sent to the company by mail, fax or email and, in these cases, must be received by the company by **Wednesday, July 29, 2020, 24:00** (date of receipt) at the following address:

Covestro AG
c/o Computershare Operations Center
80249 Munich
Germany
Fax: +49 89 30903-74675
Email: Covestro-HV2020@computershare.de

Proxy authorizations and instructions for company-nominated proxies can also be issued, modified and revoked electronically in the InvestorPortal at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>; this can be done even during the Annual General Meeting up to the start of voting.

9. Opportunity for shareholders to ask questions

Duly registered shareholders or their proxies have the opportunity to ask questions by electronic means (see also Section 1, Paragraph 2, Sentence 1, No. 3 of the C19-AuswBekG). All questions must be submitted by **Monday, July 27, 2020, 24:00** (date of receipt), using the InvestorPortal at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>. Questions in languages other than German will not be accepted.

Questions submitted after the above deadline will not be accepted.

In contrast to Section 131 of the German Stock Corporation Act, the Board of Management decides at its due and free discretion as to which questions it will answer and how, 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. A sample formulation is available in the InvestorPortal. Please generally note the explanations regarding data protection in II.16.

10. Objections for the record

Duly registered shareholders or their proxies who have exercised their voting rights by absentee ballot or by issuing a proxy authorization can object to resolutions by the Annual General Meeting via the InvestorPortal at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting> from the beginning to the end of the Annual General Meeting and have their objection recorded by the notary in the minutes. In contrast to Section 245, No. 1 of the German Stock Corporation Act, attendance at the Annual General Meeting is not required.

11. Proposed additions to the agenda at minority request pursuant to Section 122, Paragraph 2 of the German Stock Corporation Act

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 the day, June 29, 2020.**

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 available online at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>.

12. Motions and proposals for election submitted by shareholders in accordance with Sections 126, Paragraph 1 and 127 of the German Stock Corporation Act

The shareholders' rights to submit motions and proposals for election with respect to agenda items and the rules of procedure are excluded according to the legal concepts behind C19-AuswBekG. Nevertheless, shareholders will be provided the opportunity to submit counter-proposals and proposals for election in applying to Sections 126, 127 of the German Stock Corporation Act as follows.

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) or to the election of Supervisory Board members (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 **by the end of July 15, 2020** at the above address, together with evidence of the shareholding, that have to be made availa-

ble 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.

However, counter-proposals and proposals for election are not put to a vote or otherwise discussed in the Annual General Meeting in accordance with the legal concepts behind C19-AuswBekG.

13. Report by the Board of Management to the Annual General Meeting under Section 203, Paragraph 1 in conjunction with Section 186, Paragraph 4, Sentence 2 of the German Stock Corporation Act on item 7 of the Agenda

A proposal will be made to the Annual General Meeting to create Authorized Capital 2020 totaling up to €73,200,000.00 by issuing new no-par value bearer shares. The new Authorized Capital 2020 is intended to be available for capital increases in return for both cash contributions and contributions in kind, and can also be used in installments, although the total amount may not be exceeded. The new Authorized Capital 2020 will replace the authorized capital expiring on October 2, 2020, which the company has not used to date. It will enable the company to act quickly and flexibly without having to wait for the Annual General Meeting or call an extraordinary shareholders' meeting. The proposed amount of the new Authorized Capital 2020 would correspond to a 40% increase in the current capital stock if used in full.

When authorized capital is used, the shareholders are generally entitled to subscription rights. To simplify settlement, the new shares will also be offered to credit institutions or companies within the meaning of Section 186, Paragraph 5, Sentence 1 of the German Stock Corporation Act with the obligation to offer them for subscription to shareholders. The proposal also calls for the Board of Management to be authorized to disapply subscription rights in the cases listed in the proposal with the approval of the Supervisory Board.

In the case of capital increases in return for contributions in kind, the authorization proposes disapplying all subscription rights with the approval of the Supervisory Board to give the company the option of quickly and flexibly offering Covestro shares to fulfill claims arising from the preparation, performance, execution or settlement of contractual or legal acquisition processes and of mergers of companies without having to turn to the market. Covestro AG is a global competitor and must be in the position at all times to quickly and flexibly act in the interests of its shareholders in international and regional markets. This includes being able to quickly acquire companies, businesses, divisions of companies, equity interests or other assets or claims to the acquisition of assets, including receivables in respect of the company or its Group companies, to improve its competitive position. Granting shares as compensation can be expedient or even required to maintain liquidity or meet buyer expectations. The proposed disapplication of the subscription rights of shareholders in the case of contributions in kind serves this purpose. The dilutive effect of the disapplication of subscription rights will be balanced out by the fact that the expansion of business achieved by

reinforcing the company's equity position is being financed by third parties. The existing shareholders, although they will hold smaller shares of equity and voting rights than before, will benefit from the company's growth, which, if subscription rights had been granted, they would have had to finance from their own resources. Stock exchange listing also generally gives each shareholder the opportunity to increase their stake again by acquiring additional shares.

In the case of a capital increase in return for cash contributions, the authorization proposes permitting the Board of Management, with the approval of the Supervisory Board, to disapply subscription rights when new shares are issued in an amount that does not fall significantly below the market price of the company's shares already listed. Taking into consideration current market conditions, the management will endeavor to keep any discount from the stock market price as low as possible when determining the issuing volume. This authorization enables the company to quickly and flexibly take advantage of market opportunities and to meet capital requirements fast. The company aims to be able to issue new shares to one or more institutional investors or for the purpose of attracting new groups of investors, including what are known as anchor investors. Disapplying subscription rights makes a placement close to the market price possible, so there is no discount as is common in rights issues. The proportionate amount of the capital stock attributable to the shares issued under this type of simplified disapplication of subscription rights is not permitted to exceed 10% of the capital stock either at the date the authorization enters into force – or if this amount is lower – at the date the authorization is exercised. This addresses the

shareholders' requirement for protection against the dilution of their shareholdings. Moreover, all shareholders have the basic opportunity to maintain their stake by acquiring shares from the market at comparable terms. The shares to be included in calculating the 10% limit are those that are issued or sold during the term of this authorization up to the date of its exercise by direct or analogous application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. In addition, shares issued or granted or to be issued or granted based on a convertible bond or warrant bond issued during the term of this authorization under the simplified disapplication of subscription rights in accordance with this provision are also included in this calculation.

The proposed authorization also stipulates that the Board of Management may disapply subscription rights for fractions with the approval of the Supervisory Board. This type of reasonable disapplication of subscription rights for fractions in line with market practice facilitates exercise of the authorization in whole amounts and therefore guarantees easier settlement. Because it is limited to fractions, the possible dilutive effect is very minimal as a rule.

Moreover, subscription rights can be disappplied, with the approval of the Supervisory Board, to grant the holders or creditors of warrants/conversion rights on shares of the company or corresponding exercise/conversion obligations arising from bonds issued or guaranteed by Covestro AG or its Group companies subscription rights to compensate for dilution to the extent to which they would be entitled after exercising these warrants/conversion rights or after fulfilling these exercise/conversion obligations. This enables the

company to provide the holders or creditors of such instruments a standard market form of dilution protection. They are put in the same position as if they were already shareholders. Shareholders' subscription rights to these shares must be disapplied to structure the bonds with this kind of dilution protection.

There are currently no concrete plans to use the new Authorized Capital 2020. The Board of Management will carefully review in all cases whether using the new Authorized Capital 2020 is in the best interests of the company and its shareholders. The Board of Management will report to the Annual General Meeting on the use of Authorized Capital 2020.

14. Report by the Board of Management to the Annual General Meeting under Section 221, Paragraph 4 in conjunction with Section 186, Paragraph 4, Sentence 2 of the German Stock Corporation Act on item 8 of the Agenda

Sufficient capital and financing are key requirements for a company's growth. Issuing convertible bonds and warrant bonds can help companies take advantage of attractive financing opportunities depending on market conditions and their financing needs, such as borrowing funds at a low rate of interest or optimizing the company's capital structure. In addition, issuing convertible bonds and warrant bonds, if necessary in conjunction with the use of other instruments such as capital increases, can attract new groups of investors, including anchor investors.

The unused authorization approved by the Annual General Meeting on September 1, 2015, under agenda item 1 on the issue of convertible/warrant bonds expires on August 31, 2020. The Board of Management should therefore be reauthorized to issue convertible/warrant bonds, including in return for contributions in kind; the existing authorization and Conditional Capital 2015 should be rescinded and the new Conditional Capital 2020 should be approved.

The authorization proposed under agenda item 8 provides for the option to issue bonds totaling up to €2,000,000,000.00 with warrants/conversion rights or exercise/conversion obligations on shares of Covestro AG. To this end, the company intends to make available up to 18,300,000 new shares of Covestro AG with a proportionate interest in the capital stock of up to €18,300,000.00 from new Conditional Capital 2020 to be created. If this authorization is used in full, bonds could be issued that upon issue would grant subscription or exchange rights to up to around 10% of the current capital stock. The authorization runs until July 29, 2025.

The company intends to issue the bonds, including by way of Group companies, in euro or other legal currencies of OECD countries. The bonds will also provide the option of an obligation to exercise the warrants/conversion rights or exchange rights for the issuer or Covestro AG, in particular the right to substitute Covestro shares for the obligations originally owed thereunder (including as a tender right, substitution right or repayment option). Moreover, in addition to settlement from conditional or authorized capital, the bonds also provide for settlement by delivery of treasury shares, payment of cash compensation or delivery of other tradeable securities.

In addition to convertible/warrant bonds with subscription rights only for creditors or holders, the proposed authorization also includes mandatory convertible bonds (with an exchange right for the issuer or Covestro AG). Bonds will additionally be possible for which the issuer or Covestro AG can exercise a right of exchange after the bond is issued by making a declaration to the bond creditors. As a result, Covestro shares are deliverable instead of either full or partial payment of the obligation originally securitized by the bond. The latter option allows the company to react flexibly to changes in general business conditions between the time such bonds are issued and their maturity, while simultaneously preserving liquidity.

The conversion/exercise price is not permitted to fall below a minimum issue price per share, and specific parameters are given for calculating this price. The calculation is based on the relevant market price of Covestro stock at the time of placement of the bonds, or in the case of a conversion/exercise obligation or an exchange right, alternatively the market price of Covestro stock at the time of calculation of the conversion/exercise price in accordance with the Bond Terms. Notwithstanding Section 9, Paragraph 1 and Section 199, Paragraph 2 of the German Stock Corporation Act, the conversion/exercise price can be adjusted on the basis of a dilution protection or adjustment clause in accordance with the terms underlying the respective bond if, during the term of the bonds or warrants, there are changes in the company's capital, e.g., a capital increase or decrease or a stock split. Furthermore, dilution protection or adjustments can be provided for in connection with dividend payments, the issue of additional convertible/war-

rant bonds, and conversion measures, and in the case of other events affecting the value of the warrants or conversion rights that occur during the term of the bonds or warrants (e.g., control gained by a third party). The main ways of providing dilution protection or adjustments are by granting subscription rights, by changing the conversion/exercise price, or by changing or granting cash components.

As a rule, shareholders are entitled to subscription rights to such bonds. To simplify settlement, the company intends to make it possible to offer the bonds to credit institutions or companies within the meaning of Section 186, Paragraph 5, Sentence 1 of the German Stock Corporation Act with the obligation to offer them for subscription to shareholders. Additionally, the proposal calls for the Board of Management to be authorized to disapply subscription rights in the cases listed in the authorization with the approval of the Supervisory Board.

According to Section 221, Paragraph 4, Sentence 2 of the German Stock Corporation Act, the provision in Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act applies analogously to the disapplication of subscription rights when issuing convertible/warrant bonds. The limit stipulated there for the disapplication of subscription rights for up to 10% of the respective capital stock is not exceeded due to the limit explicitly stated in the authorization. The proportionate amount of the capital stock attributable to the shares to be issued or granted based on the bonds issued under this authorization are not permitted to exceed 10% of the capital stock either at the date this authorization enters into force – or if this amount is lower – at the date this author-

ization is exercised. The shares to be included in calculating this limit are those that are issued or sold during the term of this authorization up to the date of its exercise by direct or analogous application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act. In addition, shares issued or granted or to be issued or granted based on a convertible bond or warrant bond issued during the term of this authorization on the basis of exercise of another authorization while disapplying subscription rights in accordance with this provision are also included in this calculation.

Disapplying the subscription rights of shareholders enables the company to quickly leverage favorable capital market situations and therefore to possibly generate much higher proceeds from the placement than if subscription rights were preserved. In addition, the obtainable terms (particularly the conversion/exercise price per share, the amount of the option premium collected or paid, and the exchange rate in the case of foreign currencies) can be estimated much more reliably in a very short period and attractive terms can therefore also be obtained more reliably. If subscription rights were granted, successful placement would be jeopardized due to the uncertainty regarding the exercise of subscription rights, or would entail additional expense and significantly longer run-up times during which market conditions could change. Market-driven terms as favorable as possible for the company can only be achieved if the company is not bound by these for an extended offer period. Otherwise, a not-insignificant safety margin would be required to ensure the attractiveness of the terms and therefore the chances of success of the respective issue for the entire offer period.

In the case of foreign currencies, the influence of exchange rate movements on the issue can also be minimized when subscription rights are disappplied and the offer period is curtailed accordingly. Finally, particularly when bonds are denominated in foreign currencies or embedded with more than one derivative, these can be instruments that are only suitable or appealing to specialized groups of investors.

The interests of shareholders are protected in that the bonds are issued at a price not significantly below the theoretical market value in the case of subscription rights or obligations arising when the bonds are issued. The theoretical market value must be calculated using recognized actuarial methods. Taking into account the current market situation, the Board of Management will endeavor to keep any discount to the market price as low as possible when setting prices. This reduces the theoretical value of a subscription right to the bonds to nearly zero, so that the shareholders will not be subject to any notable financial disadvantage as a result of the disapplication of subscription rights. If they are concerned about an unfavorable dilutive effect, they can also maintain their share of the company's capital stock by acquiring the necessary shares on the stock exchange close to the time the issuing conditions for the bonds are determined.

Furthermore, the subscription rights of shareholders can be disappplied when the bonds are issued in return for contributions in kind. Among other things, this is intended to put the Board of Management in the position use the bonds as acquisition currency to acquire such contributions in kind in return for the transfer of such financial

instruments in suitable cases as part of mergers of companies or the direct (and indirect) acquisition of companies, businesses, divisions of companies, equity interests or other assets or claims to the acquisition of assets, including receivables in respect of the company or its Group companies. Growing a company by acquiring companies or equity interests in companies generally requires fast decisions to be made. The proposed authorization enables the Board of Management to react quickly and flexibly to favorable offers or other opportunities that may arise in the German and international markets, and to take advantage of chances to expand the company in the interests of the company and its shareholders by acquiring companies or equity interests in companies in return for issuing bonds. In each individual case, the Board of Management will carefully review whether the authorization to issue bonds while disapplying subscription rights should be utilized if opportunities to acquire assets, particularly companies or equity interests in companies, materialize. The Board of Management will only disapply the subscription rights of shareholders when this is clearly in the interests of the Company and its shareholders.

The other proposed cases for disapplying subscription rights only serve to simplify the issue of bonds. Excluding fractions is reasonable and in line with market practice in order to produce a practical and usable subscription ratio. Because it is limited to fractions, the possible dilutive effect is very minimal as a rule. The standard market disapplication of subscription rights in favor of holders or creditors of bonds already issued can be advantageous if the conversion/exercise price for the bonds already issued and

regularly structured with a dilution protection mechanism does not need to be reduced. The proposed disapplication of subscription rights is therefore in the interests of the company and its shareholders.

The Conditional Capital 2020 is required to settle warrants/conversion rights or exercise/conversion obligations or tender rights in respect of Covestro shares with bonds structured accordingly to the extent other forms of settlement are not used.

There are currently no specific plans to use the authorization to issue convertible/warrant bonds. The Board of Management will carefully review in all cases whether exercising the authorization is in the best interests of the company and its shareholders. The Board of Management will report to the Annual General Meeting on the use of the authorization.

Voluntary commitment by the Board of Management on items 7 and 8 of the agenda

In agenda items 7 and 8, the Annual General Meeting is asked to consider the creation of a new Authorized Capital 2020 and a new authorization to issue convertible/warrant bonds, including the corresponding Conditional Capital 2020. An authorization to disapply the subscription rights of shareholders is provided for in both proposed resolutions. The most important procedure in practical terms, the simplified disapplication of subscription rights in return for cash contributions provided for in Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act, contains rules on limits that ensure compliance with maximum limit totaling 10% of the capital stock, even when the option

to implement the simplified disapplication of subscription rights is exercised under various authorizations in direct and analogous application of Section 186, Paragraph 3, Sentence 4 of the German Stock Corporation Act.

The Board of Management additionally makes the following voluntary commitment: We will increase the capital stock of the company from the proposed Authorized Capital 2020 and the proposed Conditional Capital 2020 by a total of no more than 10% of the current capital stock, insofar as capital increases are performed while disapplying subscription rights from Authorized Capital 2020 in return for cash contributions or contributions in kind, or for the purpose of settling convertible/warrant bonds issued under the authorization proposed in agenda item 8 while disapplying subscription rights.

This voluntary commitment enters into force when the resolutions proposed in agenda items 7 and 8 become effective. It ends at the end of the day, July 29, 2025. It will end prior to this date if a future Annual General Meeting approves a new authorization to disapply subscription rights, and the Board of Management presents a new rule that replaces this voluntary commitment in connection with the proposed resolution to the Annual General Meeting.

15. Disclosures in accordance with Section 125, Paragraph 1 of the German Stock Corporation Act and the GCGC as well as other information on the Supervisory Board candidates nominated in agenda item 6

Ferdinando Falco Beccalli

Ferdinando Falco Beccalli, born 1949, graduated with a masters in chemical engineering from Polytechnic of Torino in Italy. Currently, Beccalli is chief executive officer at Falco Enterprises AG, Zürich, Switzerland. He started his career in the United States in 1975, then serving in leadership positions in the U.S., the Netherlands, Japan, Belgium and Germany for GE and left the company in 2014 as senior vice president and member of the corporate executive council responsible for GE Europe. Prior to his current roles, he spent 40 years at GE and is senior operating executive of Rhône Capital and was president of ENAV S.p.A. until 2017.

Beccalli serves as a member of the board of directors of the Foreign Policy Association in New York and of the Centre for European Policy Studies (CEPS) in Brussels. In 2007, he became a Knight of Merit for Labor in Italy and in 2009, he was granted the French Legion of Honor.

Offices held on other supervisory boards and comparable supervising bodies of German or foreign corporations:

- Member of the Supervisory Board, Covestro Deutschland AG.

Ferdinando Falco Beccalli is currently a member of the Supervisory Board of Covestro Deutschland AG, a 100% subsidiary of Covestro AG. Other than this, as far as the Supervisory Board is aware, Ferdinando Falco Beccalli does not have any personal or business relations reportable in accordance with Section 5.4.1 of the GCGC with Covestro AG or any of its Group companies, the governance bodies of Covestro AG or any shareholder with a material share in Covestro AG.

Dr. Christine Maria Bortenlänger

Dr. Christine Maria Bortenlänger, born 1966, started with an apprenticeship at Bayerische Vereinsbank AG, Munich, and continued to study economics and business administration at the Ludwig-Maximilians-University in Munich, graduating in 1994. In 1996 she passed her doctorate. She is a scholarship holder of the Friedrich-Ebert-Foundation. Bortenlänger began her career as a senior consultant in the financial services sector in 1996 with Dr. Seebauer & Partner in Munich. Prior to this she has held several project manager roles, including working for Bayerische Landesbank on their electronic business networking/electronic commerce project and for an international research project for the German Research Council.

In July 1998, Bortenlänger joined Munich Stock Exchange as deputy managing director, responsible for marketing and public relations. Between 2000 and 2012 she was a member of the executive board of Bayerische Börse AG and managing director of the Munich Stock Exchange. In her role she was responsible for customer service, marketing and sales, market policy, public relations, organization and IT. Effective September 1, 2012

Bortenlänger has joined Deutsches Aktieninstitut e.V., Frankfurt, Germany, as chief executive officer. Bortenlänger is a member of the supervisory boards of MTU Aero Engines AG (Munich), OSRAM GmbH (Munich), OSRAM Licht AG (Munich) and TÜV Süd Aktiengesellschaft (Munich).

Offices held on other supervisory boards and comparable supervising bodies of German or foreign corporations:

- Member of the Supervisory Board, Covestro Deutschland AG;
- Member of the Supervisory Board, MTU Aero Engines AG;
- Member of the Supervisory Board, OSRAM GmbH;
- Member of the Supervisory Board, OSRAM Licht AG;
- Member of the Supervisory Board, TÜV SÜD AG.

Dr. Christine Maria Bortenlänger is currently a member of the supervisory board of Covestro Deutschland AG, a 100% subsidiary of Covestro AG. Other than this, as far as the Supervisory Board is aware, Dr. Christine Maria Bortenlänger does not have any personal or business relations reportable in accordance with Section 5.4.1 of the GCGC with Covestro AG or any of its Group companies, the governance bodies of Covestro AG or any shareholder with a material share in Covestro AG.

Prof. Dr. Rolf Nonnenmacher

Prof. Dr. Rolf Nonnenmacher, born 1954, studied business administration at the University of Regensburg, Germany. Following his doctorate from the University of Hohenheim, Stuttgart, Rolf Nonnenmacher joined KPMG in 1981 and became Partner in 1987. He has served as German senior partner from 2005 and as Chairman resp. Co-Chairman of KPMG Europe from 2007 until retirement in 2013.

In 2014 Nonnenmacher became member of the supervisory board and chairman of the audit committee of Continental AG (Hannover). In 2015 he became member of the supervisory board and chairman of the audit committee of ProSiebenSat.1 Media SE (Unterföhring).

Nonnenmacher has been appointed as member of the Regierungskommission Deutscher Corporate Governance Kodex (German Corporate Governance Code) in 2016 and as Chairman of the Commission in 2017.

Nonnenmacher is Certified Accountant and honorary professor at the Goethe University in Frankfurt.

Offices held on other supervisory boards and comparable supervising bodies of German or foreign corporations:

- Member of the Supervisory Board, Covestro Deutschland AG;
- Member of the Supervisory Board, Continental AG;
- Member of the Supervisory Board, ProSiebenSat.1 Media SE.

Prof. Dr. Rolf Nonnenmacher is currently a member of the Supervisory Board of Covestro Deutschland AG, a 100% subsidiary of Covestro AG. Other than this, as far as the Supervisory Board is aware, Prof. Dr. Rolf Nonnenmacher does not have any personal or business relations reportable in accordance with Section 5.4.1 of the GCGC with Covestro AG or any of its Group companies, the governance bodies of Covestro AG or any shareholder with a material share in Covestro AG.

Dr. Richard Pott

Dr. Richard Pott, born 1953, obtained his doctorate degree in physics at the University of Cologne, and joined Bayer AG Central Research Department in Uerdingen in 1984. After holding a number of functions and management positions in Research and Development, Corporate Organization, Strategic Planning, Corporate Planning and Controlling at Bayer AG he was appointed Head of the Business Unit Specialty Products before he finally served as a member of the Board of Management of Bayer AG from 2002 to 2013 with responsibility for Strategy and Human Resources.

Pott was Labor Director of Bayer AG and was responsible for the regions Americas, Africa and Middle East. Pott is a member of the supervisory boards of Freudenberg SE, Schott AG and Covestro Deutschland AG (Chairman). He is also Chairman of the University Council of the University of Cologne.

Offices held on other supervisory boards and comparable supervising bodies of German or foreign corporations:

- Chairman of the Supervisory Board, Covestro Deutschland AG;
- Member of the Supervisory Board, Freudenberg SE;
- Member of the Supervisory Board, SCHOTT AG.

Dr. Richard Pott is currently a member of the Supervisory Board of Covestro Deutschland AG, a 100% subsidiary of Covestro AG. Other than this, as far as the Supervisory Board is aware, Dr. Richard Pott does not have any personal or business relations reportable in accordance with Section 5.4.1 of the GCGC with Covestro AG or any of its Group companies, the governance bodies of Covestro AG or any shareholder with a material share in Covestro AG.

Regine Stachelhaus

Regine Stachelhaus, born 1955, studied law at the University of Tübingen. She began her career at a German law firm. In 1984 she joined Hewlett Packard GmbH and held a number of positions in administration before serving as Managing Director from 2000 to 2009. In May 2002 she was appointed Vice President of Imaging and Printing Group in Germany. In 2009, Stachelhaus joined the German committee for UNICEF as Executive Secretary.

In 2010 she was appointed Head of Human Resources and Member of the Board of Directors of E.ON SE Germany, a major energy company included in the EUROSTOXX 50 Index. From July 2013 until June 2015 she has been a senior consultant to the chief executive officer of E.ON SE. From 2013 to 2019 she held the position as a director of the British Group Computacenter.

Since 2014 she is member of the supervisory board of the French Group SPIE SA and since 2015 member of the supervisory board of SPIE Deutschland und Zentraleuropa GmbH. In February 2017 she has become Member of the Supervisory Board of Ceconomy AG formerly Metro AG, and in November 2019 of Leoni AG (Nürnberg).

Offices held on other supervisory boards and comparable supervising bodies of German or foreign corporations:

- Member of the Supervisory Board, Covestro Deutschland AG;
- Member of the Supervisory Board, Ceconomy AG;
- Member of the Supervisory Board, Leoni AG;
- Member of the Supervisory Board, SPIE Deutschland und Zentraleuropa GmbH;
- Director of SPIE SA, France.

Regine Stachelhaus is currently a member of the Supervisory Board of Covestro Deutschland AG, a 100% subsidiary of Covestro AG. Other than this, as far as the Supervisory Board is aware, Regine Stachelhaus does not have any personal or business relations reportable in accordance with Section 5.4.1 of the GCGC with Covestro AG or any of its Group companies, the governance bodies of Covestro AG or any shareholder with a material share in Covestro AG.

Patrick W. Thomas

Born in 1957, Patrick W. Thomas holds a masters degree in Engineering Science from Oxford University. He began his career at ICI in England in 1979, holding several management positions. From 1989 to 1993, he was in charge of investment at ICI's Polyurethane business located in Belgium before assuming responsibility for the Europe, Africa & Middle East region of the Polyurethanes business. In 1997, he was made Global CEO of ICI Polyurethanes. In 1999 Thomas was named President for Polyurethanes, Performance and Advanced Materials at U.S. chemical company Huntsman based in Belgium. Subsequently, he was President for Specialties at Huntsman International LLC and worked as a management consultant for private-equity companies in the industrial sector. Between 2007 and 2015, he was CEO of Covestro's predecessor company Bayer Material-Science, before it was spun off from Bayer AG. Thomas was CEO of Covestro AG from 2015 until May 2018.

At the same time, he was non-executive director at BG Group plc until 2016. He was a member of the audit committee and the remuneration committee of this multinational oil and gas company for a period of six years.

He is a fellow of the Royal Academy of Engineering and the Institute for Engineering and Technology. He is the founder of the World Plastics Council and a former board member of CEFIC (The European Chemical Industry Council), President of Plastics Europe and a board member of VCI (Verband der Chemischen Industrie e.V.).

Offices held on other supervisory boards and comparable supervising bodies of German or foreign corporations:

- Chairman of the Supervisory Board, Johnson Matthey plc, United Kingdom;
- Non-Executive Director, Akzo Nobel N.V., Netherlands.

Patrick W. Thomas was Chief Executive Officer of Covestro AG and Covestro Deutschland AG, which is a 100% subsidiary of Covestro AG, until May 31, 2018. Other than this, as far as the Supervisory Board is aware, Patrick Thomas does not have any personal or business relations reportable in accordance with Section 5.4.1 of the GCGC with Covestro AG or any of its Group companies, the governance bodies of Covestro AG or any shareholder with a material share in Covestro AG.

16. Information on data protection for shareholders

Covestro AG, Kaiser-Wilhelm-Allee 60, 51373 Leverkusen, Germany, as the responsible party processes personal data of its shareholders and, if applicable, personal data of proxies (e.g., first name and last name, address, email address, number of shares, class of shares, type of ownership of shares and registration confirmation number, votes cast, questions submitted, motions and objections) for purposes of preparing for and running its virtual Annual General Meeting. The company is legally represented by its Board of Management, namely Dr. Markus Steilemann, Sucheta Govil, Dr. Thomas Toepfer and Dr. Klaus Schäfer.

The contact details of the company in its capacity as responsible body are as follows:

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

The processing of personal data is required by law for the registration to and running the virtual Annual General Meeting. The legal basis of this processing is Section 6, Paragraph 1, Sentence 1(c) of Regulation (EU) 2016/679 of April 27, 2016 (EU General Data Protection Regulation, GDPR) in conjunction with Sections 118 et seq. of the German Stock Corporation Act. In general, Covestro AG or the service providers it commissions, receive the shareholders' personal data via

the registration address from the credit institution that the shareholders have commissioned to hold their shares (custodian banks). Covestro AG broadcasts the Annual General Meeting live via the internet. Insofar as personal data is processed for shareholders, respectively their proxies, who have submitted questions or contribute to the Annual General Meeting in other ways, the legal basis for such processing is Section 6, Paragraph 1, Sentence 1 (f) of the GDPR.

The service providers commissioned by Covestro AG for the purpose of organizing the Annual General Meeting (e.g., Annual General Meeting agencies, lawyers or auditors) process the personal data of the shareholders exclusively in accordance with the instructions of Covestro AG and only to the extent that this is necessary for the execution of the service commissioned. All employees of Covestro AG and the employees of the commissioned service providers who have access to and/or process personal data of the shareholders, are obliged to treat this data confidentially. In addition, personal data of shareholders or proxies who are registered for, following online or exercising their rights at the Annual General Meeting can be accessed by other shareholders and proxies within the framework of the statutory provisions (in particular the list of shareholders, Section 129 of the German Stock Corporation Act). Covestro AG shall delete the personal data of shareholders in accordance with statutory provisions, in particular if the personal data is no longer necessary for the original purposes of collection or processing, the data is no longer required in connection with any administrative or court proceedings and there are no statutory obligations to retain such data.

Subject to legal requirements, shareholders have the right to obtain information about their personal data and to request the correction or deletion of their personal data or the restriction of processing. Furthermore, shareholders have the right to receive the personal data in a format that complies with legal requirements and to transfer this data to another responsible person without hindrance (right to data transferability). In addition, the shareholders have a right of appeal to the supervisory authorities, in particular the data protection supervisory authority responsible for the domicile or permanent residence of the shareholder, or the state in which the alleged violation was committed. If personal data is processed on the basis of Section 6, Paragraph 1, Sentence 1 (f) of the GDPR, shareholders also have a right of objection under the statutory conditions.

In the event of any comments or queries regarding the processing of personal data, shareholders may contact Covestro AG's data protection officer:

Covestro AG
Group data protection
Kaiser-Wilhelm-Allee 60
51373 Leverkusen
Germany
Phone: +49 214 6009 2000
Contact form: <https://www.covestro.de/en/contact>

Additional information on the handling of your personal data and on your rights as a data subject in accordance with the GDPR in connection with the virtual Annual General Meeting is available on Covestro AG's website at <https://www.covestro.com/en/investors/financial-calendar/annual-general-meeting>.

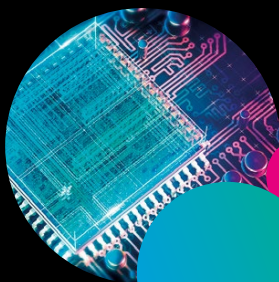
Leverkusen, June 2020

Covestro AG
The Board of Management

Notes

Notes

Notes



Covestro AG
Kaiser-Wilhelm-Allee 60
51373 Leverkusen
Germany
Email: ir@covestro.com

covestro.com