

Rohm and Haas Europe Services ApS
Central Business Registration No
30822048
Sorgenfrivej 15
DK-2800 Kgs. Lyngby

Annual report 2015

The Annual General Meeting adopted the annual report on 26.05.2016

Chairman of the General Meeting



Name: Nils Kjellegaard Jensen

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Entity details

Entity

Rohm and Haas Europe Services ApS
Sorgenfrivej 15
DK-2800 Kgs. Lyngby

Central Business Registration No: 30822048
Registered in: Lyngby-Taarbæk
Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Gino Eduardus Angela van Poorten, Chairman
Thomas Wagner Just

Executive Board

Gino Eduardus Angela van Poorten

Bank

Deutsche Bank

Lawyer

Advokatfirmaet Kjellegaard Jensen
Tuborg Boulevard 12
DK-2900 Hellerup

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Rohm and Haas Europe Services ApS for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 26.05.2016

Executive Board

Gino Eduardus Angela van
Poorten

Board of Directors



Gino Eduardus Angela van
Poorten
Chairman



Thomas Wagner Just

Independent auditor's reports

To the owner of Rohm and Haas Europe Services ApS

Report on the financial statements

We have audited the financial statements of Rohm and Haas Europe Services ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Report on other legal and regulatory requirements

Emphasis of matter regarding other issues

Parts of the accounting records for the Company are kept on file outside the Danish borders. They are kept on file with affiliated companies and can be obtained at short notice. The procedures used are in contravention of Danish legislation on the filing of accounting material in general.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 26.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Flemming Larsen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015	2014	2013	2012	2011
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Financial high-lights					
Key figures					
Revenue	24.639	34.098	31.877	41.096	60.588
Gross profit/loss	18.869	19.061	21.749	23.358	9.446
Profit (loss) from ordinary activities	3.856	(96)	5.056	2.038	8.765
Operating profit/loss	4.160	317	5.550	2.720	9.346
Net financials	(303)	(412)	(493)	(682)	581
Profit/loss for the year	2.954	(3.993)	4.971	(4.426)	1.711
Total assets	57.148	55.573	63.099	68.206	83.227
Investments in property, plant and equipment	438	24	406	576	999
Equity	(3.836)	(6.790)	(3.037)	(8.173)	(3.691)
Employees in average	125	140	151	206	263
Ratios					
Gross margin (%)	76,6	55,9	68,2	56,8	15,6
Solvency ratio (%)	(6,7)	(12,2)	(4,8)	(12,0)	(4,4)
Return on equity (%)	55,6	83,5	(88,7)	74,6	(37,4)
Profit margin (%)	(1,0)	16,6	4,9	15,4	25,7
Return on assets (%)	(0,6)	8,8	4,0	11,2	30,1

As a result of the change from an income statement classified by function to an income statement classified by nature, financial ratios for revenue and gross profit/loss from ordinary activities for the year 2011 are not comparable to the same financial ratios for 2012 - 2014.

Management commentary

Primary activities

The objective of Rohm and Haas Europe Services ApS is to conduct all lawful business, including but not limited to delivering services in Denmark and abroad directly, or through its subsidiaries and/or its branches.

Development in activities and finances

The Company has responsibility for the delivery of certain services to affiliated Dow companies in Europe. During 2015, the UK branch has been closed down, which leaves the French Branch as the only one remaining in operation.

The Company's equity is lost, and equity is negative with a significant amount. Rohm and Haas Denmark Holding Company ApS has submitted a supporting statement for its continued operation for at least 12 months from the balance sheet date and is estimated to be in a position to meet its obligations. The Company's Management is considering how equity shall be re-established.

Corporate social responsibility

Sustainability

Sustainability is an important part of The Dow Chemical Company's culture. Description of the Company's sustainability policy is to be found in The Dow Chemical Company 2015 annual report, part "Sustainability".

In accordance with section 139a, subsection 1, No.1, in the Danish Companies Act, the Company is obliged to set the targets for the share of underrepresented gender in the Board of Directors. As the Board is comprised of 3 members, the target is that, at no time, should the Board be comprised by persons of one gender only. The Company currently fulfils this target.

Additionally, the Company is also required to prepare and adopt a policy on gender equality on the Management levels unless the Company throughout the year in question has not had more than 50 employees, according to section 12 in the regulation no. 344 of 30 March 2012. As the Company has had no employees, for whom the full time ATP contributions were paid in 2015, the Company is exempt from this requirement.

Uncertainty relating to recognition and measurement

There is no uncertainty in relation to recognition and measurement.

Unusual circumstances affecting recognition and measurement

There are no unusual circumstances affecting recognition and measurement.

Outlook

The Company and its branch are expected to be closed down within the next financial year, as part of the internal global project of reducing the number of legal entities.

Management commentary

Particular risks

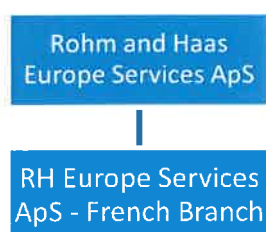
The Company has limited operating risk mainly involving bad debts and financing. There is no foreign exchange risk in this entity.

Research and development activities

There have been no research and development activities.

Foreign branches

Group chart:



Events after the balance sheet date

The Company is part of an internal global project to reduce the number of legal entities in the Dow group. Consequently, the goal is to close down the branch and eventually close the entity by means of a merger into another Dow legal entity.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The annual report is presented in EUR.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement provided that general criteria are met, i.e. that delivery and transfer of risk have passed to the buyer by year-end, the amount can be determined accurately and it is expected to be paid.

Accounting policies

Revenue is recognised exclusive of VAT and net of discount relating to sales.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises as well as realised and unrealised currency translation adjustments.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises as well as realised and unrealised currency translation adjustments.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Danish affiliated entities. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3-20 years
Other fixtures and fittings, tools and equipment	3-20 years

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets should be assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Provisions for pensions and similar liabilities

To the extent that pension commitments are not covered by insurance, they are included in the balance sheet as provisions. The calculation of the liability is based on actuarial computations and in accordance with the regulations in SFAS no 87.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement of Rohm and Haas Europe Services ApS and group enterprises is included in the annual report of the Dow Chemical Company, Michigan, USA (Ultimate Parent).

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Profit margin (%)	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$	The measure of the amount of profit accruing to a firm from the sale of a product or service.
Return on assets (%)	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$	A measure of profitability calculated by expressing a company's net income as a percentage of total assets.

Income statement for 2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Revenue	2	24.638.733	34.098.048
Other operating income		575.557	0
Other external expenses	4	<u>(6.345.403)</u>	<u>(15.037.190)</u>
Gross profit/loss		18.868.887	19.060.858
Staff costs	3	<u>(14.709.193)</u>	<u>(18.744.126)</u>
Operating profit/loss		4.159.694	316.732
Other financial income	5	110.878	143.793
Other financial expenses	6	<u>(414.131)</u>	<u>(556.046)</u>
Profit/loss from ordinary activities before tax		3.856.441	(95.521)
Tax on profit/loss from ordinary activities	7	<u>(902.160)</u>	<u>(3.897.268)</u>
Profit/loss for the year		<u>2.954.281</u>	<u>(3.992.789)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>2.954.281</u>	<u>(3.992.789)</u>
		<u>2.954.281</u>	<u>(3.992.789)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Other fixtures and fittings, tools and equipment		547.088	651.489
Property, plant and equipment in progress		<u>174.910</u>	<u>14.290</u>
Property, plant and equipment	8	<u>721.998</u>	<u>665.779</u>
Deferred tax	10	<u>55.963</u>	<u>448.115</u>
Fixed asset investments	9	<u>55.963</u>	<u>448.115</u>
Fixed assets		<u>777.961</u>	<u>1.113.894</u>
Trade receivables		53.989	6.494
Receivables from group enterprises		53.704.482	50.047.002
Other short-term receivables		515.826	397.882
Income tax receivable		2.095.423	4.005.404
Prepayments	11	<u>0</u>	<u>2.550</u>
Receivables		<u>56.369.720</u>	<u>54.459.332</u>
Cash		<u>58</u>	<u>21</u>
Current assets		<u>56.369.778</u>	<u>54.459.353</u>
Assets		<u>57.147.739</u>	<u>55.573.247</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Contributed capital	12	17.163	17.163
Retained earnings		<u>(3.853.052)</u>	<u>(6.807.333)</u>
Equity		<u>(3.835.889)</u>	<u>(6.790.170)</u>
Provisions for pensions and similar liabilities	13	1.935.265	2.064.401
Provisions for deferred tax	10	<u>633.039</u>	<u>733.285</u>
Provisions		<u>2.568.304</u>	<u>2.797.686</u>
Trade payables		893.832	1.048.268
Debt to group enterprises		53.297.787	52.840.507
Income tax payable		109.503	459.016
Other payables		<u>4.114.202</u>	<u>5.217.940</u>
Current liabilities other than provisions		<u>58.415.324</u>	<u>59.565.731</u>
Liabilities other than provisions		<u>58.415.324</u>	<u>59.565.731</u>
Equity and liabilities		<u><u>57.147.739</u></u>	<u><u>55.573.247</u></u>
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	14		
Related parties with control	15		
Ownership	16		
Consolidation	17		

Statement of changes in equity for 2015

	Contributed capital EUR	Retained ear- nings EUR	Total EUR
Equity beginning of year	17.163	(6.807.333)	(6.790.170)
Profit/loss for the year	<u>0</u>	<u>2.954.281</u>	<u>2.954.281</u>
Equity end of year	<u>17.163</u>	<u>(3.853.052)</u>	<u>(3.835.889)</u>

Notes

1. Uncertainty relating to recognition and measurement

The Company's equity is lost, and equity is negative by a significant amount. Rohm and Haas Denmark Holding Company ApS has submitted a letter of support for Rohm and Haas Europe Services ApS' continued operation for at least 12 months from the balance sheet date and the Company is estimated to be in a position to meet its obligations. The Company's Management is considering how to re-establish equity.

2. Revenue

The Company operates exclusively on the European market and revenue includes only the providing of services to group enterprises, for which reason there is no further segmentation of revenue.

	2015	2014
	EUR	EUR
3. Staff costs		
Wages and salaries	9.468.343	12.138.092
Pension costs	5.077.547	6.479.711
Other staff costs	163.303	126.323
	14.709.193	18.744.126
Average number of employees	125	140

Remuneration has been paid to neither Management nor Board of Directors.

	2015	2014
	EUR	EUR
4. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	45.000	45.000
Other services	12.500	12.500
	57.500	57.500

	2015	2014
	EUR	EUR
5. Other financial income		
Financial income arising from group enterprises	110.878	143.236
Other financial income	0	557
	110.878	143.793

Notes

	<u>2015</u> EUR	<u>2014</u> EUR
6. Other financial expenses		
Financial expenses from group enterprises	390.651	468.644
Interest expenses	595	6.111
Exchange rate adjustments	22.885	81.291
	<u>414.131</u>	<u>556.046</u>
	<u>2015</u> EUR	<u>2014</u> EUR
7. Tax on ordinary profit/loss for the year		
Current tax	776.436	(654.118)
Change in deferred tax for the year	292.000	2.356.099
Adjustment relating to previous years	(166.276)	2.195.287
	<u>902.160</u>	<u>3.897.268</u>

Current tax

Taxable expenses of EUR 980 thousand refers to the foreign branches. Taxable expenses of EUR 34 thousand refers to Denmark.

Adjustment relating to previous years also comprises current year's other taxes in foreign branches.

	<u>Other fix- tures and fittings, tools and equipment EUR</u>	<u>Property, plant and equipment in progress EUR</u>
8. Property, plant and equipment		
Cost beginning of year	9.514.784	14.290
Transfer to and from other items	0	(14.287)
Additions	194.628	243.057
Disposals	(164.118)	(68.150)
Cost end of year	<u>9.545.294</u>	<u>174.910</u>
Depreciation and impairment losses beginning of the year	(8.863.295)	0
Depreciation for the year	(299.029)	0
Reversal regarding disposals	164.118	0
Depreciation and impairment losses end of the year	<u>(8.998.206)</u>	<u>0</u>
Carrying amount end of year	<u>547.088</u>	<u>174.910</u>

Notes

	Deferred tax EUR
9. Fixed asset investments	
Cost beginning of year	448.115
Disposals	<u>(392.152)</u>
Cost end of year	<u>55.963</u>
Carrying amount end of year	<u>55.963</u>

10. Deferred tax

Deferred tax of EUR 133.038 is incumbent on property, plant and equipment, trade receivables, and tax loss carryforwards within the Company's foreign branches.

11. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

	Number	Par value EUR	Nominal value EUR
12. Contributed capital			
Ordinary shares	<u>125</u>	137,00	<u>17.163</u>
	<u>125</u>		<u>17.163</u>

No changes have been made to contributed capital in the past five financial years.

13. Provisions for pensions and similar liabilities

Provisions for pensions and similar liabilities comprise provision for pension.

	2015 EUR	2014 EUR
14. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>49.000</u>	<u>38.000</u>

Notes

15. Related parties with control

Related parties with a controlling interest in Rohm and Haas Europe Services ApS are the Parent, the Board of Directors, and the Executive Board.

Other related parties consist of group consolidated companies in the Dow Chemical Company Group.

Transactions with related parties

The Company is part of the Dow Chemical Company, Michigan, USA and, therefore, transactions with related parties are not mentioned.

16. Ownership

The Company is a wholly owned subsidiary of Rohm and Haas Denmark Holding Company ApS, Kgs. Lyngby, Denmark.

The Ultimate Parent is the Dow Chemical Company.

17. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

The Dow Chemical Company, Customer Information Centre, P.O. Box 1206, Midland Michigan 48641-1206, USA.