



Science For A Better Life

## NOTICE

OF THE  
ANNUAL STOCKHOLDERS'  
MEETING OF BAYER AG

on April 27, 2012



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## COVER PICTURE

Bayer HealthCare has a major research focus in the area of cardiology. Bayer scientists are working on new approaches to the treatment of cardiovascular diseases. The company's product offering also includes innovative injection systems for removing blood clots and deposits from blood vessels. Our picture shows Bayer employees Hieu Le and Kristin Green in the laboratory in Minneapolis, Minnesota, United States, with a simulation of blood cells.

# Notice of Meeting

Our stockholders are hereby invited to attend the Annual Stockholders' Meeting to be held at 10.00 a.m. on Friday, April 27, 2012 at the Cologne Exhibition Center, North Entrance, Hall 7, Deutz-Mülheimer-Strasse 111, 50679 Cologne.

## 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 disclosures, and the proposal by the Board of Management on the appropriation of distributable profit for the fiscal year 2011. Resolution on the appropriation of distributable profit.**

The Board of Management and the Supervisory Board propose that the entire distributable profit of EUR 1,364,463,883.20 reported in the annual financial statements for the fiscal year 2011 be appropriated to pay a dividend of EUR 1.65 per share carrying dividend rights.

The amount of the dividend is determined by the Board of Management based on the number of shares carrying dividend rights on the date the annual financial statements were prepared. If the Company holds treasury shares on the date of the Annual Stockholders' Meeting and the number of shares carrying dividend rights is therefore lower than the number on the date the annual financial statements were prepared, the Board of Management and Supervisory Board shall present an amended proposal on the appropriation of distributable profit to the Annual Stockholders' Meeting, to the effect that the proposed dividend shall remain unchanged at EUR 1.65 per share and the remainder of the distributable profit shall be carried forward.

The annual financial statements prepared by the Board of Management on February 14, 2012 were approved by the Supervisory Board on February 23, 2012 in accordance with section 172 sentence 1 of the German Stock Corporation Act (AktG); the annual financial statements are thus adopted. No resolution on the adoption of the annual financial statements by the Annual Stockholders' Meeting is therefore required. The other documents mentioned above shall be made available to the Annual Stockholders' Meeting in accordance with section 176(1) sentence 1 of the AktG without the need for adoption of a resolution, with the exception of the resolution on the appropriation of distributable profit.

## **2. Ratification of the actions of the members of the Board of Management**

The Board of Management and the Supervisory Board propose that the actions of the members of the Board of Management who held office in the fiscal year 2011 be ratified for that year.

## **3. Ratification of the actions of the members of the Supervisory Board**

The Board of Management and the Supervisory Board propose that the actions of the members of the Supervisory Board who held office in the fiscal year 2011 be ratified for that year.

## **4. Supervisory Board elections**

The end of the Annual Stockholders' Meeting 2012 marks the end of the term of office of all stockholder representatives serving on the Supervisory Board. For this reason, new elections are required. According to sections 96(1), 101(1) of the AktG and section 7(1) sentence 1 number 3 of the German Codetermination Act (MitbestG) of 1976, the Supervisory Board of the Company is composed of ten stockholder representatives and ten employee representatives.

Based on the recommendation of the Nomination Committee, the Supervisory Board nominates the following candidates for election to the Supervisory Board:

- a) **Dr. Manfred Schneider**, Cologne  
Chairman of the Company's Supervisory Board,  
Leverkusen  
for the period up to the end of September 30, 2012

- b) **Werner Wenning**, Leverkusen  
Member of various supervisory boards and former Chairman of the Company's Board of Management, Leverkusen for the period from October 1, 2012 to the end of the Annual Stockholders' Meeting that resolves to ratify his actions for fiscal year 2016
- c) **Dr. Paul Achleitner**, Munich  
Member of the Board of Management of Allianz SE, Munich
- d) **Dr. Clemens Börsig**, Frankfurt am Main  
Chairman of the Supervisory Board of Deutsche Bank AG, Frankfurt am Main
- e) **Thomas Ebeling**, Muri nr. Berne, Switzerland  
Chief Executive Officer of ProSiebenSat.1 Media AG, Unterföhring nr. Munich
- f) **Dr. rer. pol. Klaus Kleinfeld**, New York, U.S.A.  
Chairman and Chief Executive Officer of ALCOA Inc., New York, U.S.A.
- g) **Dr. rer. nat. Helmut Panke**, Munich  
Member of various supervisory boards
- h) **Sue H. Rataj**, Sebastopol, California, U.S.A.  
Non-executive member of the Board of Directors of Cabot Corporation, Boston, U.S.A.
- i) **Prof. Dr.-Ing. Ekkehard D. Schulz**, Krefeld  
Member of various supervisory boards for the period up to the end of the Annual Stockholders' Meeting that resolves to ratify his actions for fiscal year 2013
- j) **Dr. Klaus Sturany**, Dortmund  
Member of various supervisory boards
- k) **Prof. Dr. Dr. h. c. mult. Ernst-Ludwig Winnacker**, Munich  
Secretary General of the Human Frontier Science Program (HFSP), Strasbourg  
for the period up to the end of the Annual Stockholders' Meeting that resolves to ratify his actions for fiscal year 2013

as far as not otherwise provided for above, each for the period up to the end of the Annual Stockholders' Meeting that resolves to ratify their actions for fiscal year 2016 (**candidates c) to h) and j)**).

Mr. Werner Wenning, candidate b), was Chairman of the Company's Board of Management and stepped down from the Board of Management effective September 30, 2010. The statutory two-year waiting period ("cooling-off period") for the membership of former Board of Management members on the Supervisory Board (section 100(2) sentence 1 number 4 of the AktG) will therefore have expired as of the start date of his proposed term of office, i.e., October 1, 2012.

In electing stockholder representatives, the Annual Stockholders' Meeting is not required to elect the candidates proposed. Each candidate will be elected individually.

Dr. Manfred Schneider is planned to be elected as Chairman of the Supervisory Board until he steps down from the Supervisory Board on September 30, 2012. Furthermore, the plan is for Mr. Werner Wenning to take over chairmanship of the Supervisory Board as of October 1, 2012 after Dr. Schneider steps down from the Supervisory Board on September 30, 2012. Dr. Klaus Sturany meets the statutory requirements of section 100(5) of the AktG as an independent member with professional expertise in financial accounting or auditing. The current offices held by the proposed Supervisory Board members representing the stockholders are listed in the appendix to Agenda Item 4.

\* \* \*

#### Appendix to Agenda Item 4

The persons proposed in Agenda Item 4 for election as Supervisory Board members representing the stockholders hold offices as members of other statutory supervisory boards or of comparable supervisory bodies of other corporations in Germany or abroad, as listed below.

**Dr. Manfred Schneider**

Memberships of other statutory supervisory boards

- Linde AG, Wiesbaden (Chairman)
- RWE AG, Essen (Chairman)

**Werner Wenning**

Memberships of other statutory supervisory boards

- Deutsche Bank AG, Frankfurt am Main
- E.ON AG, Düsseldorf (Chairman)
- HDI V.a.G., Hannover
- Talanx AG, Hannover

Memberships of comparable supervisory bodies in Germany or abroad

- Henkel AG & Co. KGaA, Düsseldorf (Shareholders' Committee)
- Freudenberg & Co. KG, Weinheim (Shareholders' Committee)

**Dr. Paul Achleitner**

Memberships of other statutory supervisory boards

- Allianz Global Investors AG, Frankfurt am Main
- Allianz Investment Management SE, Munich (Chairman of Board of Directors)
- Daimler AG, Stuttgart
- RWE AG, Essen

**Dr. Clemens Börsig**

Memberships of other statutory supervisory boards

- Daimler AG, Stuttgart
- Deutsche Bank AG, Frankfurt am Main (Chairman)
- Linde AG, Wiesbaden

Memberships of comparable supervisory bodies in Germany or abroad

- Emerson Electric Co., Ferguson, MO, U.S.A.

**Thomas Ebeling**

Memberships of other statutory supervisory boards  
or comparable supervisory bodies in Germany or abroad

None

**Dr. rer. pol. Klaus Kleinfeld**

Memberships of other statutory supervisory boards  
or comparable supervisory bodies in Germany or abroad

None

**Dr. rer. nat. Helmut Panke**

Memberships of comparable supervisory bodies in Germany  
or abroad

- Microsoft Corporation, Redmond, WA, U.S.A.
- Singapore Airlines Limited, Singapore
- UBS AG, Zurich, Switzerland

**Sue H. Rataj**

Memberships of comparable supervisory bodies in Germany  
or abroad

- Cabot Corporation (non-executive), Boston, U.S.A.

**Prof. Dr.-Ing. Ekkehard D. Schulz**

Memberships of other statutory supervisory boards

- AXA Konzern AG, Cologne
- MAN SE, Munich (Vice Chairman)
- RWE AG, Essen

**Dr. Klaus Sturany**

Memberships of other statutory supervisory boards

- Hannover Rückversicherung AG, Hannover  
(Vice Chairman)
- Heidelberger Druckmaschinen AG, Heidelberg



Memberships of comparable supervisory bodies in Germany or abroad

- Österreichische Industrieholding AG, Vienna, Austria
- Sulzer AG, Winterthur, Switzerland

### **Prof. Dr. Dr. h. c. mult. Ernst-Ludwig Winnacker**

Memberships of other statutory supervisory boards

- Medigene AG, Martinsried (Chairman)
- Wacker Chemie AG, Munich

### **5. Amendment to the Articles of Incorporation concerning compensation of the Supervisory Board (Article 12 of the Articles of Incorporation)**

The current rule concerning Supervisory Board compensation in the Articles of Incorporation (Article 12 of the Articles of Incorporation) provides for the payment of performance-related compensation based on gross cash flow in addition to fixed compensation. The payment of a performance-related compensation component currently still complies with a German Corporate Governance Code recommendation that members of the Supervisory Board receive performance-related compensation in addition to fixed compensation. The current Articles of Incorporation can be downloaded at [HTTP://WWW.ASM2012.BAYER.COM/EN/ARTICLES-OF-INCORPORATION-OF-BAYER-AG.PDF](http://www.asm2012.bayer.com/en/articles-of-incorporation-of-bayer-ag.pdf) and will also be available for inspection during the Annual Stockholders' Meeting.

The compensation of the Supervisory Board to be determined by the Annual Stockholders' Meeting will be changed to a purely fixed compensation. The Company is of the opinion that this type of compensation is more suitable for compensating the control function of the Supervisory Board that must be performed independently of the Company's short-term performance. In addition, compensation for participation in Supervisory Board committees will be adjusted to reflect the member's scope of responsibilities and actual work involved.

The stockholder candidates proposed by the Supervisory Board for election to the Supervisory Board and the employee representatives already elected whose term of office begins as of the end of the Annual Stockholders' Meeting have declared to the Supervisory Board ("voluntary pledge") that they will each purchase Bayer shares for 25 % of the fixed compensation paid in accordance with the proposal in Article 12(1) and (2) of the Articles of Incorporation (before taxes) and that they will hold these shares for their term of office on the Supervisory Board of Bayer AG. This shall not apply when Supervisory Board members transfer at least 85 % of their fixed compensation to the Hans Böckler Foundation in accordance with Deutscher Gewerkschaftsbund (Confederation of German Trade Unions) guidelines or transfer their compensation to their employer to fulfill a duty arising from a service or employment contract. In these cases, if less than 85 % of the fixed compensation is transferred, then the voluntary pledge applies to the portion not transferred. By voluntarily pledging to invest in and to hold Bayer shares, the Supervisory Board members aim to create another mechanism to orient their interest on the long-term, sustainable success of the Company.

The Board of Management and Supervisory Board propose the following resolution for adoption:

- a) Article 12 of the Articles of Incorporation shall be revised as follows:

**“§ Article 12 Compensation of the Supervisory Board**

(1) Each member of the Supervisory Board shall receive a fixed annual compensation in the amount of EUR 120,000. Members of the Supervisory Board who also are members of a committee shall receive additional compensation.

- (a) The additional compensation shall amount to EUR 120,000 for the chairman of the Audit Committee and EUR 60,000 for all other members of the Audit Committee.

(b) The additional compensation shall amount to EUR 60,000 for the chairmen of other committees and EUR 30,000 for all other members of other committees. This shall not apply to membership of the Nomination Committee.

Committee work shall be compensated for no more than two committees; if this maximum is exceeded, compensation shall be based on the two with the highest compensation.

- (2) Instead of the compensation according to paragraph 1, the Chairman shall receive annual fixed compensation of EUR 360,000, and the Vice Chairman shall receive EUR 240,000. This also covers membership and chairmanship of committees.
- (3) Supervisory Board members who have been members of the Supervisory Board or of one of its committees or who have held the position of Chairman or Vice Chairman of the Supervisory Board or have chaired one of its committees for only a part of the fiscal year shall receive a lower compensation on a pro-rated basis.
- (4) The members of the Supervisory Board shall additionally receive an attendance fee of EUR 1,000 for each time they personally attend a meeting of the Supervisory Board and its committees. If multiple meetings are held on one day, the attendance fee shall be paid only once.
- (5) The compensation shall be paid after the end of the respective fiscal year.
- (6) The Company shall reimburse to the Supervisory Board members the expenses incurred through the exercise of their office, including any value added tax payable on their compensation and on the reimbursement of their expenses. The Company may take out liability insurance for the members of the Supervisory Board to cover their legal liability arising from their activities as members of the Supervisory Board.”

- b) The compensation of the Supervisory Board for the fiscal year 2012 shall be determined in accordance with the provisions of the current Articles of Association for the period from January 1, 2012 to April 27, 2012 and in accordance with the provisions of section a) of this agenda item for the period from April 28, 2012 to December 31, 2012. The amounts stipulated by these two provisions shall be reduced on a pro-rated basis. Starting in the fiscal year 2013, the Supervisory Board compensation shall be determined solely in accordance with the provisions of the Articles of Association described in section a) of this agenda item.

#### **6. Election of the auditor of the financial statements and for the review of the half-year financial report**

Based on the recommendation of the Audit Committee, the Supervisory Board proposes the election of PricewaterhouseCoopers Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Essen, as the auditor of the annual and consolidated financial statements for fiscal year 2012 and to review the condensed financial statements and interim management report as of June 30, 2012.

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From the date of the notice convening the Annual Stockholders' Meeting, the following documents in particular shall be available together with this notice at [WWW.ASM2012.BAYER.COM](http://WWW.ASM2012.BAYER.COM):

- The Annual Financial Statements, Consolidated Financial Statements, Combined Management Report, Report of the Supervisory Board, Explanatory Report by the Board of Management on Takeover-related Disclosures, and the Proposal by the Board of Management on the Appropriation of Distributable Profit, in each case for fiscal year 2011 (Agenda Item 1)

These documents shall also be available during the Annual Stockholders' Meeting. In addition, a copy of these documents shall be provided to each stockholder free of charge upon request.

### **Total number of shares and voting rights, acquisition of treasury shares**

On the date of the notice convening the Annual Stockholders' Meeting, the Company's capital stock was composed of 826,947,808 registered shares (no-par-value shares), each of which conveys one vote. In 2011, approximately 65,000 treasury shares of the Company worth EUR 3.9 million were acquired for the purpose of allocating them to employees pursuant to the stock option programs for 2001.

### **Attendance at the Annual Stockholders' Meeting and exercise of voting rights**

Only those shareholders who are entered in the share register and have registered by the required date are eligible to attend the Annual Stockholders' Meeting and exercise voting rights. Registration must be received by the Company at the latest by 24.00 hours on Friday, April 20, 2012 at the following address:

Bayer Aktiengesellschaft  
Stockholder Services  
Postfach 14 60  
61365 Friedrichsdorf  
Fax: + 49 (0)69/2222-34280  
E-mail: BAYER.HV@RSGMBH.COM

or submitted electronically by accessing the password-protected Annual Stockholders' Meeting Internet service (hereinafter "Stockholders' Portal – AGM Service") at [WWW.STOCKHOLDERS-PORTAL.BAYER.COM](http://WWW.STOCKHOLDERS-PORTAL.BAYER.COM) and following the instructions there.

Access authorization is necessary to use the "Stockholders' Portal – AGM Service." The information required to access the "Stockholders' Portal – AGM Service" (stockholder number and personal access number) will be sent with the Invitation. The "Stockholders' Portal – AGM Service" is expected to be available from April 3, 2012. This service can only be used by stockholders entered in the share register by no later than Thursday, April 12, 2012 (entry status according to the last transfer entry for this date). However, there are other registration options for stockholders entered in the registry at a later date. Stockholders who have already agreed to

the Annual Stockholders' Meeting documents being sent by e-mail will receive an e-mail with the Notice of Meeting as an attachment at the e-mail address they specified.

In accordance with section 67(2)(1) of the AktG, only those stockholders registered as such in the share register shall be deemed to be stockholders of the Company. The entry status of the stockholders in the share register on the date of the Annual Stockholders' Meeting therefore determines eligibility to attend and the number of voting rights they are entitled to exercise. For technical processing reasons, no transfer entries will be made in the share register in the period from Saturday, April 21, 2012 up to and including Friday, April 27, 2012. Consequently, the entry status of the share register on the date of the Annual Stockholders' Meeting will be the status after the last transfer entry on Friday, April 20, 2012.

Credit institutions and stockholder associations, as well as persons or associations with equivalent status under section 135 of the AktG, may only exercise the voting rights for shares that do not belong to them, but of which they are registered as the holder in the share register, with the relevant authorization. Details relating to this authorization are provided in section 135 of the AktG.

Further information on the registration process can be found on the registration form sent to stockholders and at [WWW.ASM2012.BAYER.COM](http://WWW.ASM2012.BAYER.COM).

Admission tickets to the Annual Stockholders' Meeting will be issued by the required date after receipt of registration unless the stockholders have previously decided to issue a proxy to a proxy holder designated by the Company, or have registered for postal voting.

Registration to attend the Annual Stockholders' Meeting shall not block the shares for trading. Stockholders shall therefore remain free to dispose of their shares even after registration. Since only those stockholders who are entered in the share register on the date of the Annual Stockholders' Meeting shall be deemed to be stockholders of the Company, the disposal of shares may affect eligibility to attend and the entitlement to exercise voting rights.

Stockholders are requested to note that, owing to the large number of registrations expected for our Annual Stockholders' Meeting, we can generally only send out a maximum of two admission tickets per stockholder. This shall not apply to the authorization of holders of American Depositary Shares of the Company by the Custodian.

**Exercise of voting rights by a proxy**

Stockholders' voting rights may be exercised by proxy, including by a stockholders' association. Registration by the required date shall also be required in these cases (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above). The issue of a proxy is permissible both before and during the Annual Stockholders' Meeting. To issue a proxy, declarations can be made both to the proxy holder and to the Company. In particular, stockholders may declare at the time of registration that they do not intend to attend the Annual Stockholders' Meeting personally, but wish to be represented by a particular proxy.

Together with the Invitation to the Stockholders' Meeting, stockholders will receive a registration form that can be used to issue a proxy and issue voting instructions to the proxy holders designated by the Company or to order admission tickets for a proxy holder. A sample registration form will be made accessible to stockholders at [www.ASM2012.BAYER.COM](http://www.ASM2012.BAYER.COM). The voting card packet issued on admission to the Annual Stockholders' Meeting will also include cards for issuing a proxy and, if applicable, issuing voting instructions during the Annual Stockholders' Meeting. The "Stockholders' Portal – AGM Service" also includes an (on-screen) form that allows stockholders to issue a proxy and issue voting instructions to proxy holders designated by the Company either when registering or at a later date. The admission tickets issued by the Company also include a form for issuing a proxy.

Stockholders who wish to make use of proxy voting should note the following in particular:

**Proxy holders designated by the Company**

The Company offers its stockholders an opportunity to appoint proxy holders whom it has designated. The proxy holders designated by the Company will only exercise

voting rights on the basis of the issued proxy if they have been issued voting instructions; they are obliged to vote in accordance with the instructions. However, instructions may only be issued regarding resolutions proposed by the Board of Management and/or the Supervisory Board (including any amendments) and resolutions proposed by stockholders announced by means of an addition to the agenda in accordance with section 122(2) of the AktG.

Proxies and voting instructions issued to proxy holders designated by the Company require text form (section 126b of the Bürgerliches Gesetzbuch (German Civil Code – “BGB”)) unless they are issued using the “Stockholders’ Portal – AGM Service.”

Proxies and voting instructions may be issued to proxy holders designated by the Company before the Annual Stockholders’ Meeting by returning the registration form included with the Invitation to the Meeting by mail, or during the Annual Stockholders’ Meeting by using the proxy card included with the voting card packet. Without prejudice to the requirement to register by 24.00 hours on Friday, April 20, 2012 (see “Attendance at the Annual Stockholders’ Meeting and exercise of voting rights” above), if a proxy is issued by mail, it must be received at the mail address specified above by Thursday, April 26, 2012 (date of mail delivery).

Proxies and voting instructions may also be issued to proxy holders designated by the Company using the registration form sent to stockholders by fax sent to the above-mentioned fax number or electronically using the (on-screen) form available via the “Stockholders’ Portal – AGM Service” (see “Attendance at the Annual Stockholders’ Meeting and exercise of voting rights” above). Without prejudice to the requirement to register by 24.00 hours on Friday, April 20, 2012 (see “Attendance at the Annual Stockholders’ Meeting and exercise of voting rights” above), proxies and voting instructions issued by fax or via the “Stockholders’ Portal – AGM Service” must all be received by 12.00 hours on Thursday, April 26, 2012.



The above-mentioned information on transmission options and deadlines applies accordingly to cancellation of a proxy issued to a proxy holder designated by the Company. Despite already having issued a proxy to a proxy holder designated by the Company, a stockholder who wishes to may attend the Annual Stockholders' Meeting personally or via a representative and represent the relevant shares. In this case, the proxy holder designated by the Company will not exercise the stockholder's voting rights. The proxy holder designated by the Company will also refrain from exercising the stockholder's voting rights if the stockholder votes by postal voting (see "Postal voting" below).

Additional information on the issue of proxies and voting instructions to proxy holders designated by the Company can also be found on the registration form sent to stockholders.

### **Authorization of other persons**

The following shall apply if a proxy is issued to a person other than a proxy holder designated by the Company and is not subject to the provisions of section 135 of the AktG (in particular the authorization of credit institutions and stockholder associations): The issue and cancellation of proxies and the notification to the Company must be made in text form (section 126b of the BGB). If the issue or cancellation of proxy is made by means of a declaration to the Company, this may be sent to the above-mentioned address in text form (section 126b of the BGB) or also using the "Stockholders' Portal – AGM Service" (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights").

In the case of proxies issued within the scope of section 135 of the AktG (in particular the issue of proxy to credit institutions and stockholder associations), text form is not required under section 134(3) sentence 3 of the AktG, nor do the Articles of Incorporation contain specific provisions for such a case. Consequently, the form in which credit institutions and persons or associations of equivalent status under section 135 of the AktG are issued a proxy need only comply with the statutory provisions applicable to this specific type of proxy, in particular the provisions of section 135 of the AktG.

### **Provision of evidence**

If the proxy is issued by means of a declaration to the Company or if the proxy holder designated by the Company is authorized, additional evidence of authorization shall not be required. However, if the proxy is issued by means of a declaration to the proxy holder, the Company may require evidence of the authorization unless otherwise specified under section 135 of the AktG. Evidence of the authorization may be provided to the Company before the Annual Stockholders' Meeting.

We offer the following electronic communication methods for providing evidence of the appointment of a proxy: The evidence can be provided to the Company by accessing the "Stockholders' Portal – AGM Service" and following the instructions there (see "Attendance at the Annual Meeting of Stockholders and exercise of voting rights" above), or by e-mail to [BAYER.HV@RSGMBH.COM](mailto:BAYER.HV@RSGMBH.COM). The evidence can be submitted via the "Stockholders' Portal – AGM Service" until April 26, 2012 (12.00 hours). Evidence of authorization sent by e-mail must include either the name, date of birth, and address of the stockholder, or the stockholder number, so that it can be correctly allocated. The name and mail address of the designated proxy should also be provided so that the proxy holder may be sent admission tickets.

### **Postal voting**

Stockholders may also cast their votes by mail or electronically without attending the Annual Stockholders' Meeting ("postal voting"). Registration by the required date is also required in these cases (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above). Postal voting shall be limited to resolutions proposed by the Board of Management and/or the Supervisory Board (including any amendments) and resolutions proposed by stockholders announced by means of an addition to the agenda in accordance with section 122(2) of the AktG.

Without prejudice to the requirement to register by 24.00 hours on Friday, April 20, 2012 (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above), the postal vote cast by mail must be received at the above mail address (see "Attendance at the

Annual Stockholders' Meeting and exercise of voting rights") by Thursday, April 26, 2012 (date of mail delivery).

Postal votes may also be cast by fax to the above-mentioned fax number or electronically using the (on-screen) form available via the "Stockholders' Portal – AGM Service" for the Annual Stockholders' Meeting (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above). Without prejudice to the requirement to register by 24.00 hours on Friday, April 20, 2012 (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above), votes cast by fax or via the "Stockholders' Portal – AGM Service" must be received by 12.00 hours on Thursday, April 26, 2012.

The above-mentioned requirements regarding the notification options and deadlines shall apply accordingly to the cancellation of postal voting. If a stockholder wishes to attend the Annual Stockholders' Meeting personally or via a representative and represent the relevant shares despite having already cast an absentee vote, attendance is possible, but will be deemed to be cancellation of the absentee vote.

Authorized credit institutions, stockholder associations, and persons of equivalent status under section 135 of the AktG may also cast postal votes.

### **Additions to the agenda**

Stockholders whose shares together account for one-twentieth of the capital stock or a proportionate interest of EUR 500,000 (corresponding to 195,313 shares) may require items to be added to the agenda and announced, in accordance with section 122(2) of the AktG. Each new item must be accompanied by the reasons for it or a proposed resolution. The request must be directed to the Board of Management in writing and may be sent to the following address:

Bayer Aktiengesellschaft  
Board of Management  
Building W11  
Kaiser-Wilhelm-Allee 1  
51373 Leverkusen  
Germany

Requests for additions to the agenda must be received by the Company at least 30 days before the Meeting, i.e., by 24.00 hours on March 27, 2012. Applicants must provide evidence that they have been holders of the shares for at least three months preceding 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 to be announced will be published in the electronic Bundesanzeiger (Federal Gazette) without delay, unless already announced with the Notice of the Meeting. They will also be made available online at [WWW.ASM2012.BAYER.COM](http://WWW.ASM2012.BAYER.COM) without delay.

### **Right to submit counter-motions and proposals for election**

Each stockholder has the right to submit motions and proposals for election relating to items of the agenda or the rules of procedure during the Annual Stockholders' Meeting without the need for announcement, publication, or any other special action before the Annual Stockholders' Meeting.

The Company will make available any counter-motions within the meaning of section 126 of the AktG and proposals for election within the meaning of section 127 of the AktG including the name of the stockholder, the reasons (although this is not required for proposals for election), and any statement by the management, at [WWW.ASM2012.BAYER.COM](http://WWW.ASM2012.BAYER.COM), provided the stockholder has sent the information to the Company at least 14 days before the Meeting, i.e., by 24.00 hours on Thursday, April 12, 2012, to the following address

Bayer Aktiengesellschaft  
Building Q26 (Legal Department)  
Kaiser-Wilhelm-Allee 20  
51373 Leverkusen  
Fax: + 49 (0) 214/30-56524  
E-mail: [HV2012.GEGENANTRAEGE@BAYER.COM](mailto:HV2012.GEGENANTRAEGE@BAYER.COM)

and the other requirements regarding the corresponding duty under sections 126 and 127 of the AktG have been met.

**Right of information**

In accordance with section 131(1) of the AktG, each stockholder is entitled to verbally request and receive information from the Board of Management during the Annual Stockholders' Meeting on issues relating to the Company, provided that the information is required for the due and proper assessment of an item on the agenda, and there is no right to refuse disclosure. The duty of disclosure extends to the legal and business relationships of the Company with an affiliated company and the position of the Group and the companies included in the consolidated financial statements.

**Further explanations**

This and further information on the stockholders' rights under section 122(2), section 126(1), section 127, and section 131(1) of the AktG is available on the Annual Stockholder's Meeting website at [WWW.ASM2012.BAYER.COM](http://WWW.ASM2012.BAYER.COM).

**Partial transmission**

All stockholders of the Company and any interested members of the public can follow live streaming of the speech by the Chairman of the Board of Management at the Annual Stockholders' Meeting on April 27, 2012 at [WWW.ASM2012.BAYER.COM](http://WWW.ASM2012.BAYER.COM) from around 10.15 a.m. There will be no other video or audio transmission of the Annual Stockholders' Meeting.

Leverkusen, February 2012  
Bayer Aktiengesellschaft

The Board of Management

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**Forward-Looking Statements:**

This publication contains forward-looking statements based on current assumptions and forecasts made by Bayer Group or subgroup management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual financial position, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports, which are available on the Bayer website at [www.bayer.com](http://www.bayer.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

## Key data

	2010	2011	Change
	€ million	€ million	%
Sales	35,088	36,528	+4.1
EBIT <sup>1</sup>	2,730	4,149	+52.0
EBIT before special items <sup>2</sup>	4,452	5,025	+12.9
EBITDA <sup>3</sup>	6,286	6,918	+10.1
EBITDA before special items <sup>2</sup>	7,101	7,613	+7.2
EBITDA margin before special items <sup>4</sup>	20.2%	20.8%	
Income before income taxes	1,721	3,363	+95.4
Net income	1,301	2,470	+89.9
Earnings per share (€) <sup>5</sup>	1.57	2.99	+90.4
Core earnings per share (€) <sup>6</sup>	4.19	4.83	+15.3
Gross cash flow <sup>7</sup>	4,771	5,172	+8.4
Net cash flow <sup>8</sup>	5,773	5,060	-12.4
Net financial debt	7,917	7,013	-11.4
Capital expenditures as per segment table	1,621	1,666	+2.8
Research and development expenses	3,053	2,932	-4.0
Dividend per Bayer AG share	1.50	1.65	+10.0

In some cases, the sum of the figures given in this report may not precisely equal the stated totals and percentages may not be exact due to rounding.

<sup>1</sup> EBIT = operating result as shown in the income statement

<sup>2</sup> EBIT before special items and EBITDA before special items are not defined in the International Financial Reporting Standards and should therefore be regarded only as supplementary information. The company considers EBITDA before special items to be a more suitable indicator of operating performance since it is not affected by depreciation, amortization, impairments or special items. By reporting this indicator, the company aims to give readers a clearer picture of the results of operations and ensure greater comparability of data over time. See also Combined Management Report, Chapter 4.2 "Calculation of EBIT(DA) Before Special Items" on page 83 of the Bayer Annual Report 2011.

<sup>3</sup> EBITDA = EBIT plus amortization and impairment losses on intangible assets and depreciation and impairment losses on property, plant and equipment, minus impairment loss reversals. See also Combined Management Report, Chapter 4.2 "Calculation of EBIT(DA) Before Special Items" on page 83 of the Bayer Annual Report 2011.

<sup>4</sup> The EBITDA margin before special items is calculated by dividing EBITDA before special items by sales.

<sup>5</sup> Earnings per share as defined in IAS 33 = net income divided by the average number of shares. For details see Note [16] to the consolidated financial statements on page 206 of the Bayer Annual Report 2011.

<sup>6</sup> Core earnings per share are not defined in the International Financial Reporting Standards and should therefore be regarded only as supplementary information. The company considers that this indicator gives readers a clearer picture of the results of operations and ensures greater comparability of data over time. The calculation of core earnings per share is explained in the Combined Management Report, Chapter 4.3, on page 84 of the Bayer Annual Report 2011.

<sup>7</sup> Gross cash flow = income after taxes, plus income taxes, plus non-operating result, minus income taxes paid or accrued, plus depreciation, amortization and impairment losses, minus impairment loss reversals, plus/minus changes in pension provisions, minus gains/plus losses on retirements of noncurrent assets, minus gains from the remeasurement of already held assets in step acquisitions. The change in pension provisions includes the elimination of non-cash components of the operating result (EBIT). It also contains benefit payments during the year. For details see Combined Management Report, Chapter 4.5 "Liquidity and Capital Expenditures of the Bayer Group.", on page 86 of the Bayer Annual Report 2011.

<sup>8</sup> Net cash flow = cash flow from operating activities according to IAS 7

The Bayer Annual Report can be ordered using the postcard.

