



Science For A Better Life



Notice
of the
Annual Stockholders' Meeting
of Bayer AG on April 28, 2017

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Bayer AG
c/o Finger Marketing Services
Postfach 100538
41405 Neuss
Germany

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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 28, 2017, at the World Conference Center Bonn, Entrance to the Main Building, New York Hall, Platz der Vereinten Nationen 2, 53113 Bonn, Germany.

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 and the proposal by the Board of Management on the use of the distributable profit for the fiscal year 2016, and resolution on the use of the distributable profit**

The Board of Management and the Supervisory Board propose that the entire distributable profit of EUR 2,232,759,081.60 reported in the annual financial statements for the fiscal year 2016 be used to pay a dividend of EUR 2.70 per share carrying dividend rights.

The amount of the dividend is determined on the basis of the number of shares carrying dividend rights on the date the annual financial statements were prepared by the Board of Management. If the Company holds own 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 use of the distributable profit to the Annual Stockholders' Meeting, to the effect that the proposed dividend shall remain unchanged at EUR 2.70 per share and the remainder of the distributable profit shall be carried forward.

In accordance with Section 58, Paragraph 4, Sentence 2 of the German Stock Corporation Act (AktG) in the version applicable from January 1, 2017, the entitlement to the dividend is due on the third business day following the resolution of the Annual Stockholders' Meeting, namely on May 4, 2017.

The annual financial statements prepared by the Board of Management on February 14, 2017, were approved by the Supervisory Board on February 21, 2017, in accordance with Section 172, Sentence 1 of the AktG; the annual financial statements are thus adopted. The Supervisory Board also approved the consolidated financial statements. No resolution on the adoption of the annual financial statements or on the approval of the consolidated financial statements in accordance with Section 173 of the AktG by the Annual Stockholders' Meeting is therefore required. The other documents mentioned above shall be made available to the Annual Stockholders' Meeting in accordance with Section 176, Paragraph 1, Sentence 1 of the AktG without the need for adoption of a resolution, with the exception of the resolution on the use of the distributable profit.

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 2016 be ratified for this period.

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 2016 be ratified for this period.

4. Supervisory Board elections

The terms of office of the stockholders' representatives Werner Wenning, Dr. Paul Achleitner, Dr. Clemens Börsig, Thomas Ebeling, Sue H. Rataj and Dr. Klaus Sturany end on conclusion of the Annual Stockholders' Meeting 2017. New elections are therefore necessary.

In accordance with Section 96, Paragraphs 1 and 2 and Section 101, Paragraph 1 of the AktG and Section 7, Paragraph 1, Sentence 1, No. 3 of the German Codetermination Act (MitbestG) of 1976, the Company's Supervisory Board is composed of twenty members, ten of whom are elected by the stockholders and ten by the employees. At least 30 percent of the members of the Supervisory Board must be women and at least 30 percent of the members of the Supervisory Board must be men. In principle, this minimum quota must be fulfilled by the Supervisory Board as a whole. However, the stockholder representatives have rejected overall fulfillment of this quota on the basis of a majority resolution presented to the Chairman of the Supervisory Board. The minimum quota for this election therefore has to be fulfilled separately by the stockholders' and employees' representatives and comprises three women and three men for each group of representatives. The stockholders' representatives on the Supervisory Board currently comprise three women and seven men. Therefore, the minimum quota is currently fulfilled by the stockholders' representatives. To maintain the minimum quota of three women, at the end of the term of office of Sue H. Rataj, one woman must be elected as a stockholders' representative on the Supervisory Board.

Based on the recommendations of the Nominations Committee, the Supervisory Board nominates the following candidates for election to the Supervisory Board; their terms of office will commence on conclusion of the Annual Stockholders' Meeting 2017:

- a) **Werner Wenning**, Leverkusen, Germany
Chairman of the Supervisory Board of Bayer Aktiengesellschaft
- b) **Dr. Paul Achleitner**, Munich, Germany
Chairman of the Supervisory Board of Deutsche Bank Aktiengesellschaft
- c) **Dr. Norbert W. Bischofberger**, Hillsborough, California, USA
Executive Vice President Research & Development and Chief Scientific Officer of Gilead Sciences Inc.

- d) **Thomas Ebeling**, Muri bei Bern, Switzerland
Chief Executive Officer of ProSiebenSat.1 Media SE
- e) **Colleen A. Goggins**, Princeton, New Jersey, USA
Independent Advisor

each for the period up to the end of the Annual Stockholders' Meeting that resolves to ratify their actions for the fiscal year 2021, and

- f) **Dr. Klaus Sturany**, Ascona, Switzerland
Member of various supervisory boards

for the period up to the end of the Annual Stockholders' Meeting that resolves to ratify his actions for the fiscal year 2017.

For personal reasons, Dr. Klaus Sturany wishes to end his service on the Company's Supervisory Board in 2018. Dr. Sturany meets the requirement of Section 100, Paragraph 5, 1st half-sentence of the AktG that at least one member of the Supervisory Board should have specialist knowledge of accounting or auditing. The current plan is to propose Prof. Dr. Norbert Winkeljohann for election to the Supervisory Board as successor to Dr. Sturany at the Annual Stockholders' Meeting in 2018. Prof. Dr. Winkeljohann, who will hold office as Chairman of the Executive Board of PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft until June 30, 2018, meets the requirements of Section 100, Paragraph 5, 1st half-sentence of the AktG.

Each candidate will be elected individually.

Attention is drawn to the following in accordance with Section 5.4.1, Paragraphs 4 to 7 of the German Corporate Governance Code:

The Supervisory Board has satisfied itself that the candidates nominated for election to the Supervisory Board are able to meet the expected time commitment. Apart from the fact that Mr. Wenning, Dr. Achleitner, Mr. Ebeling and Dr. Sturany are already members of the Company's Supervisory Board, the Supervisory Board does not consider there to be any personal

or business relationships between the candidates nominated for election to the Supervisory Board on the one hand and the companies of the Bayer Group, the governing bodies of Bayer Aktiengesellschaft, or any stockholder that directly or indirectly holds more than 10 percent of the voting shares of Bayer Aktiengesellschaft on the other that are of material significance to the decision of the Stockholders' Meeting regarding their election.

When defining the targets for its composition, the Supervisory Board set a standard maximum for membership of the Supervisory Board of no more than three full terms of office, except in special circumstances. On conclusion of the Annual Stockholders' Meeting 2017, Dr. Achleitner will have been a member of the Supervisory Board for three full terms of office. In view of his special competence and to ensure adequate continuity on the Supervisory Board in light of the fact that various members were elected to the Supervisory Board for the first time in recent years, Dr. Achleitner is again being nominated for reelection.

In accordance with Section 5.4.3, Sentence 3 of the German Corporate Governance Code, notice is hereby given that it is proposed that Mr. Wenning be elected Chairman of the Supervisory Board.

The candidates nominated for election to the Supervisory Board are members of the following statutory supervisory boards or of comparable control bodies of corporations in Germany or abroad:

Werner Wenning

Membership of statutory supervisory boards:

- > Bayer Aktiengesellschaft (Chairman)
- > Henkel Management AG
- > Siemens Aktiengesellschaft (Vice Chairman)

Membership of comparable control bodies of corporations in Germany or abroad:

- > Henkel AG & Co. KGaA (Member of the Shareholders' Committee)

Dr. Paul Achleitner

Membership of statutory supervisory boards:

- > Bayer Aktiengesellschaft
- > Daimler AG
- > Deutsche Bank Aktiengesellschaft (Chairman)

Membership of comparable control bodies of corporations in Germany or abroad:

- > Henkel AG & Co. KGaA (Member of the Shareholders' Committee)

Dr. Norbert W. Bischofberger

Membership of statutory supervisory boards:

- > None

Membership of comparable control bodies of corporations in Germany or abroad:

- > InCarda Therapeutics Inc., Brisbane, California, USA (Member of the Board of Directors)

Thomas Ebeling

Membership of statutory supervisory boards:

- > Bayer Aktiengesellschaft

Membership of comparable control bodies of corporations in Germany or abroad:

- > Lonza Group AG, Basel, Switzerland (Member of the Board of Directors)

Colleen A. Goggins

Membership of statutory supervisory boards:

- > None

Membership of comparable control bodies of corporations in Germany or abroad:

- > SIG Combibloc Group AG, Neuhausen am Rheinfall, Switzerland (Member of the Board of Directors)
- > The Toronto-Dominion Bank, Toronto, Canada (Member of the Board of Directors)

Dr. Klaus Sturany

Membership of statutory supervisory boards:

- > Bayer Aktiengesellschaft
- > Hannover Rück SE (Vice Chairman)

Membership of comparable control bodies of corporations in Germany or abroad:

- > None

5. Amendment of the Articles of Incorporation regarding the compensation of the Supervisory Board (§ 12, Paragraphs 1 and 2 of the Articles of Incorporation)

In accordance with the current version of the Articles of Incorporation, each member of the Supervisory Board receives fixed annual compensation of EUR 120,000. Additional compensation is in principle paid for memberships of committees. 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 and EUR 60,000 for the chairmen of other committees and EUR 30,000 for all other members of other committees. No additional compensation is paid for membership of the Nominations Committee. The Chairman of the Supervisory Board receives fixed annual compensation of EUR 360,000, the Vice Chairman EUR 240,000; these amounts also cover memberships of committees. The current version of the Articles of Incorporation containing the full rules on the compensation of the members of the Supervisory Board in § 12 is available on the internet at www.bayer.com/stockholders-meeting and will also be available during the Annual Stockholders' Meeting.

The compensation of the Supervisory Board was last reviewed in 2012, when it was modified to comprise fixed compensation only. To take account of the increased demands made on the work of the Supervisory Board and the development of compensation of Supervisory Board members, and to continue to attract qualified candidates for the Supervisory Board, it is proposed to adjust the fixed annual compensation of all members of the Supervisory Board, of the Chairman and Vice Chairman of the Supervisory Board and the additional compensation for chairmen and members of Supervisory Board committees. The attendance allowance will not be changed.

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

- a) § 12, Paragraphs 1 and 2 of the Articles of Incorporation shall be worded as follows:

“(1) Each member of the Supervisory Board shall receive a fixed annual compensation in the amount of EUR 132,000. Members of the Supervisory Board who are also members of a committee shall receive additional compensation.

- a) The additional compensation shall amount to EUR 132,000 for the chairman of the Audit Committee and EUR 66,000 for all other members of the Audit Committee.
- (b) The additional compensation shall amount to EUR 66,000 for the chairmen of other committees and EUR 33,000 for all other members of other committees. This shall not apply to membership of the Nominations 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 fixed annual compensation of EUR 396,000, and the Vice Chairman shall receive EUR 264,000. This also covers membership and chairmanship of committees.”

- b) The fixed annual compensation of each member of the Supervisory Board, of the Chairman and Vice Chairman of the Supervisory Board and the additional compensation for chairmen and members of Supervisory Board committees for the fiscal year 2017 shall be determined on the basis of the currently valid Articles of Incorporation for the period from January 1 to April 28, 2017, and on the basis of the proposed version of the Articles of Incorporation set forth in subsection a) of this Agenda Item for the period from April 29 to December 31, 2017; the amounts set forth in these two rules shall be adjusted on a pro rata basis. From the fiscal year 2018 the fixed annual compensation of each member of the Supervisory Board, of the Chairman and Vice Chairman of the Supervisory Board and the additional compensation for chairmen and

members of Supervisory Board committees shall be determined in accordance with the rules of the Articles of Incorporation proposed in subsection a) of this Agenda Item.

In the past, both the stockholders' representatives and the employees' representatives gave an undertaking (“voluntary pledge”) to the Supervisory Board in connection with their election that they would purchase Bayer shares in the amount of 25 percent of their pre-tax fixed annual and additional compensation pursuant to § 12, Paragraphs 1 and 2 of the Articles of Incorporation and that they would hold these shares for as long as they remain members of the Company's Supervisory Board. This did not apply to members who transferred at least 85 percent of their fixed annual and additional compensation to the Hans Böckler Foundation in accordance with the rules of the German Trade Union Confederation or whose service or employment contract with a company required them to transfer such compensation to that company. If less than 85 percent of the fixed annual and additional compensation was transferred, the voluntary pledge applied to the portion not transferred. By voluntarily pledging to invest in and hold Bayer shares, the Supervisory Board members reinforced their interest in the long-term, sustainable success of the Company. In principle, this element is to be retained in the future. However, the obligation to purchase Bayer shares shall only apply for the first five years of membership of the Supervisory Board and these shares shall then be held until membership of the Supervisory Board ceases. Shares purchased in the past under the voluntary pledge shall also be taken into account.

6. Approval of the control agreement between the Company and Bayer CropScience Aktiengesellschaft

The Board of Management and Supervisory Board propose that the control agreement between the Company and Bayer CropScience Aktiengesellschaft dated February 21, 2017, be approved.

The Company (“BAG”) and Bayer CropScience Aktiengesellschaft (“BCS”) concluded a control agreement on February 21, 2017. The control agreement is explained

and justified in the joint report of the Board of Management of the Company and the Board of Management of Bayer CropScience Aktiengesellschaft.

The content of the control agreement is as follows:

“§ 1 Management

- (1) BCS entrusts the management of its company to BAG. BAG is therefore authorized to issue instructions to the Board of Management of BCS with regard to the management of the company. The provisions of the valid version of Section 308 of the German Stock Corporation Act (AktG) shall apply.
- (2) BAG shall only exercise the right to issue instructions through its Board of Management. Instructions must be issued in text form.

§ 2 Assumption of losses

BAG is obligated to assume any losses made by BCS. The provisions of the valid version of Section 302 of the AktG shall apply. This obligation shall take effect for the first time for any loss made by BCS in the fiscal year in which this agreement enters into force.

§ 3 Entry into force and duration

- (1) This agreement must be approved by the Stockholders' Meetings of BAG and BCS.
- (2) This agreement shall enter into force when it is entered in the commercial register for the registered office of BCS and is concluded for an unlimited duration.
- (3) The agreement can be terminated at the end of a fiscal year, provided that a period of notice of six months is given. If such notice is not given, the agreement shall be extended in each case by a further fiscal year, with the same period of notice.
- (4) This shall not prejudice the right to terminate the agreement immediately for cause. In particular, BAG is authorized to terminate the agreement for cause if it no longer

holds a majority interest in BCS or if another stockholder has an interest in BCS. Reasons for termination for cause shall constitute, in particular, the merger, split or liquidation of one of the parties.

§ 4 Other provisions

Should a provision of this agreement be or become invalid or a required rule not be contained therein, this shall not impact the validity of the remaining provisions. The invalid provisions shall be replaced or the loophole closed by incorporating a legally permissible rule that corresponds as closely as possible to what the parties originally intended or would have intended based on the meaning and purpose of this agreement had they been aware of the invalidity of the provision or the loophole.”

7. Election of the auditor for the annual financial statements and for the review of the half-yearly and interim financial reports

Based on the recommendation of the Audit Committee, the Supervisory Board proposes the election of Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany, as the auditor of the annual and consolidated financial statements for the fiscal year 2017 and to review the condensed financial statements and interim management report as of June 30, 2017, September 30, 2017 and March 31, 2018, respectively.

In accordance with Article 16, Paragraph 2 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, the Audit Committee recommended Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany, and Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany, to the Supervisory Board for the above audit services and expressed a preference for Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany.

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.bayer.com/stockholders-meeting:

- > The annual financial statements (including the proposal of the Board of Management on the use of the distributable profit), the consolidated financial statements, the combined management report and the report of the Supervisory Board, in each case for the fiscal year 2016 (Agenda Item 1), together with the explanatory report by the Board of Management on takeover-related information, which is part of the combined management report for the fiscal year 2016;
- > The Company's Articles of Incorporation (Agenda Item 5);
- > The control agreement between the Company and Bayer CropScience Aktiengesellschaft, the joint report of the Boards of Management of the Company and Bayer CropScience Aktiengesellschaft on the control agreement, and the annual financial statements of the Company and Bayer CropScience Aktiengesellschaft, together with the combined management reports of the Company and the Bayer Group, in each case for the past three fiscal years (Agenda Item 6).

These documents shall also be available during the Annual Stockholders' Meeting.

Total number of shares and voting rights

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.

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

Only those stockholders 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 21, 2017, at the following address:

Bayer Aktiengesellschaft
 Stockholder Service
 Postfach 14 60
 61365 Friedrichsdorf
 Germany
 Fax: + 49 (0) 69 / 2222-34280
 Email: bayer.hv@linkmarketservices.de

or submitted electronically by accessing the password-protected Annual Stockholders' Meeting internet service (hereinafter "Stockholders' Portal – AGM Service") at 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 notice. The "Stockholders' Portal – AGM Service" is expected to be available starting on Friday, March 31, 2017. This service can only be used by stockholders entered in the share register by no later than Thursday, April 13, 2017 (entry status according to the last transfer entry for this date). However, there are other registration options for stockholders entered in the register at a later date. Stockholders who have already agreed to the transmission of the Annual Stockholders' Meeting documents by email will receive an email with the Notice of Meeting as an attachment at the email address they specified.

In accordance with Section 67, Paragraph 2, Sentence 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 22, 2017, up to and including Sunday, April 30, 2017. 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 21, 2017. The technical record date is thus the end (i.e. 24:00 hours) of April 21, 2017.

Credit institutions and stockholder associations, as well as persons, institutions or companies with equivalent status under Section 135, Paragraph 8 of the AktG or Section 135, Paragraph 10 of the AktG in conjunction with Section 125, Paragraph 5 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.bayer.com/stockholders-meeting.

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

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 does not apply where the Custodian has issued a proxy to holders of American Depositary Shares of the Company.

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.

Exercise of voting rights by 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 Notice of 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.bayer.com/stockholders-meeting. 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 (online) form that allows stockholders to issue a proxy to a third party, as well as to issue a proxy and 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 obligated 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, Paragraph 2 of the AktG.

Proxies and voting instructions issued to proxy holders designated by the Company must be issued in text form (Section 126b of the 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 Notice of the Meeting by regular 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 21, 2017 (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above), if a proxy is issued by regular mail, it must be received at the postal address specified above by Thursday, April 27, 2017 (date of mail delivery).

Proxies and voting instructions may also be issued to proxy holders designated by the Company before the Annual Stockholders' Meeting using the registration form sent to stockholders by sending a fax to the above fax number or electronically using the (online) 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 21, 2017 (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 27, 2017.

The above 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 of the appointment of a proxy submitted to the Company must be 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 address given above in text form (Section 126b of the BGB) or submitted via 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 proxies to credit institutions and stockholder associations), text form is not required under Section 134, Paragraph 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, stockholder associations and persons, institutions or companies of equivalent status under Section 135, Paragraph 8 of the AktG or Section 135, Paragraph 10 of the AktG in conjunction with Section 125, Paragraph 5 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.

For electronic communication of evidence of the appointment of a proxy, the Company provides for transmission via email to the email address bayer.hv@linkmarketservices.de. The evidence of authorization 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 postal address of the designated proxy should also be provided so that where possible 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, Paragraph 2 of the AktG.

Without prejudice to the requirement to register by 24:00 hours on Friday, April 21, 2017 (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 postal address (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights") by Thursday, April 27, 2017 (date of mail delivery).

Postal votes may also be cast by fax to the above fax number or electronically using the (online) 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 21, 2017 (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 27, 2017.

The above 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 a postal vote, attendance is possible, but will be deemed to be cancellation of the postal vote.

Authorized credit institutions, stockholder associations and persons, institutions or companies of equivalent status under Section 135, Paragraph 8 of the AktG or Section 135, Paragraph 10 of the AktG in conjunction with Section 125, Paragraph 5 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, Paragraph 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 Tuesday, March 28, 2017. Applicants must provide evidence that they have been holders of the shares for at least 90 days preceding the date of receipt of the request and that they will hold the shares until a decision on the motion has been made by the Board of Management. Additions to the agenda to be announced will be published in the Bundesanzeiger (Federal Gazette) without delay and submitted for publication to those media which may be presumed to distribute the information throughout the European Union, unless already announced with the Notice of the

Meeting. They will also be made available online at www.bayer.com/stockholders-meeting without delay.

Right to submit countermotions 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 countermotions 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, and in the case of proposals for the election of Supervisory Board members, the statements and references of the Board of Management to the composition of the Supervisory Board in accordance with Section 127, Sentence 4 of the AktG in conjunction with Section 96, Paragraph 2 of the AktG at www.bayer.com/stockholders-meeting, 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 13, 2017, to the following address:

Bayer Aktiengesellschaft
 Building Q26 (Legal Department)
 Kaiser-Wilhelm-Allee 20
 51373 Leverkusen
 Germany
 Fax: + 49 (0) 214 / 30-26786
 Email: hv.gegenantraege@bayer.com

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

Right of information

In accordance with Section 131, Paragraph 1 of the AktG, each stockholder is entitled to 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 also 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 Notice and further information and explanations of the stockholders' rights under Section 122, Paragraph 2; Section 126, Paragraph 1; Section 127; and Section 131, Paragraph 1 of the AktG are available on the Annual Stockholder's Meeting website www.bayer.com/stockholders-meeting.

Partial transmission

All stockholders of the Company and any interested members of the public can follow live streaming of the opening of the Annual Stockholders' Meeting by the Chairman of the Supervisory Board and the speech by the Chairman of the Board of Management at the Annual Stockholders' Meeting on Friday, April 28, 2017, at www.bayer.com/stockholders-meeting starting at around 10:00 a.m. There will be no other video or audio transmission of the Annual Stockholders' Meeting.

Leverkusen, February 2017

Bayer Aktiengesellschaft

The Board of Management

This translation of the German version is provided for convenience only.

Supervisory Board Elections



Werner Wenning, Leverkusen
born October 21, 1946, in Leverkusen

Chairman of the Supervisory
Board of Bayer AG

- 1966–1968 Commercial Trainee at Bayer AG
- 1968–1969 Trainee Program in Finance and Accounting of Bayer AG
- 1969–1970 Employment in the Corporate Auditing Department of Bayer AG
- 1970–1975 Establishment and management of the Finance Department of Bayer Industrial S. A. in Lima, Peru
- 1975–1978 Employment in the Corporate Auditing Department of Bayer AG
- 1978–1983 Managing Director of Bayer Industrial S. A. in Lima, Peru
- 1983–1986 Head of the Staff Department of the Health Care Sector of Bayer AG
- 1986–1987 Head of Marketing for Thermoplastics of Bayer AG
- 1987–1991 Head of Global Marketing of the Plastics Business Group of Bayer AG
- 1991–1992 Assignment at the Treuhandanstalt privatization agency, Berlin
- 1992–1996 Managing Director of Bayer Hispania Industrial S. A. and Senior Bayer Representative for Spain
- 1996–1997 Head of Corporate Planning and Controlling of Bayer AG
- 1997–2002 Member of the Board of Management of Bayer AG (Chief Financial Officer)
- 2002–2010 Chairman of the Board of Management of Bayer AG
- since 2012 Chairman of the Supervisory Board of Bayer AG

Membership of statutory supervisory boards:

- Bayer AG (Chairman, since 2012)
- Henkel Management AG (since 2013)
- Siemens AG (Vice Chairman, since 2013)

Membership of comparable control bodies of corporations in Germany or abroad:

- Henkel AG & Co. KGaA (Member of the Shareholders' Committee, since 2008)



Dr. Paul Achleitner, Munich
born September 28, 1956, in Linz, Austria

Chairman of the Supervisory Board of
Deutsche Bank AG

- 1976–1984 First degree and doctorate from University of St. Gallen (Switzerland) for Business Administration, Economics, Law and Social Sciences; Harvard Business School, ISP
- 1984–1988 Bain & Co., Boston, USA, Manager Strategy Consulting
- 1988–1989 Goldman Sachs & Co., New York, USA, Vice President Mergers & Acquisitions
- 1989–1994 Goldman Sachs International, London, United Kingdom, Executive Director Investment Banking
- 1994–1999 Goldman Sachs & Co. OHG, Frankfurt, Chairman and Partner Goldman Sachs Group
- 2000–2012 Member of the Board of Management of Allianz SE
- since 2012 Chairman of the Supervisory Board of Deutsche Bank AG
- 1988–1999 Lecturer at Vienna University of Economics and Business
- since 1998 Lecturer at WHU Koblenz

Membership of statutory supervisory boards:

- Bayer AG (since 2002)
- Daimler AG (since 2010)
- Deutsche Bank AG (Chairman, since 2012)

Membership of comparable control bodies of corporations in Germany or abroad:

- Henkel AG & Co. KGaA (Member of the Shareholders' Committee, since 2001)



Dr. Norbert W. Bischofberger,

Hillsborough, California, USA
born January 10, 1956, in Mellau, Austria

Executive Vice President Research &
Development and Chief Scientific Officer of
Gilead Sciences Inc.

- 1975–1980 Studies of chemistry at Leopold-Franzens-University, Innsbruck, Austria
- 1980–1983 Doctorate (Dr. rer. nat.) at the Eidgenössische Technische Hochschule Zurich, Switzerland
- 1983–1984 Postdoc at Syntex, Inc., Palo Alto, California, USA
- 1984–1986 Postdoc at Harvard University, Cambridge, Massachusetts, USA
- 1986–1990 Scientist in the Molecular Biology Department at Genentech Inc., South San Francisco, California, USA, from 1988 Manager DNA Synthesis
- since 1990 Gilead Sciences Inc., Foster City, California, USA
 - 1990–1993 Director Organic Chemistry
 - 1993–1995 Vice President Organic Chemistry
 - 1995–1997 Vice President Research
 - 1997–1999 Senior Vice President Research
 - 1999–2007 Senior Vice President Research and Development
 - since 2007 Executive Vice President Research & Development and Chief Scientific Officer

Membership of statutory supervisory boards:

- None

Membership of comparable control bodies of corporations in Germany or abroad:

- InCarda Therapeutics Inc., Brisbane, California, USA
(Member of the Board of Directors, since 2016)



Thomas Ebeling, Muri bei

Bern, Switzerland
born February 9, 1959, in Hannover

Chief Executive Officer of ProSiebenSat.1
Media SE

- 1980–1986 Degree in psychology in Hamburg
- 1987–1991 Various roles at Reemtsma, including Product Manager for the “West” brand
- 1991–1996 Various roles at Pepsi-Cola, including Marketing Manager, National Sales and Franchise Director and General Manager
- 1997 General Manager of Novartis Nutrition for Germany and Austria
- 1998–1999 Head of the Nutrition Division of Novartis
- 1998–2008 Member of the Executive Committee of Novartis
- 2000–2007 CEO of the Novartis pharmaceuticals business
- 2007–2008 CEO of the Novartis Consumer Health Division
- since 2009 Chief Executive Officer of ProSiebenSat.1 Media SE

Membership of statutory supervisory boards:

- Bayer AG (since 2012)

Membership of comparable control bodies of corporations in Germany or abroad:

- Lonza Group AG, Basel, Switzerland
(Member of the Board of Directors, since 2013)



Colleen A. Goggins, Princeton,
New Jersey, USA
born September 9, 1954, in Milwaukee,
Wisconsin, USA
Independent Advisor

- 1972–1977 Studies of Food Chemistry (BSc) at the University of Wisconsin-Madison, USA
- 1977–1979 Master of Management (MM) program with concentration in Marketing and Finance at the Kellogg School of Management, Evanston, Illinois, USA
- 1979–1981 American Cyanamid, USA, various roles in Brand Management
- 1981–2011 Johnson & Johnson
- 1981–1989 Various Roles in Marketing Personal Care Products, USA
- 1989–1992 Marketing Director Germany
- 1992–1993 Division President Consumer Canada
- 1994–1995 President Personal Care Products USA
- 1995–1998 President Consumer Products USA
- 1998–2001 Chairman North America Consumer, USA
- 2001–2011 Worldwide Chairman Consumer Group, Member of the Executive Committee of Johnson & Johnson, USA
- 2013–2016 KraussMaffei Group GmbH, Germany, Member of the Supervisory Board
- 2014–2016 Valeant Pharmaceuticals International Inc., Canada, Member of the Board of Directors

Membership of statutory supervisory boards:

- None

Membership of comparable control bodies of corporations in Germany or abroad:

- SIG Combibloc Group AG, Neuhausen am Rheinfall, Switzerland (Member of the Board of Directors, since 2015)
- The Toronto-Dominion Bank, Toronto, Canada (Member of the Board of Directors, since 2012)



Dr. Klaus Sturany, Ascona, Switzerland
born October 23, 1946, in Wehrda
Member of various Supervisory Boards

- 1966–1970 Studies in mathematics, physics and business administration at the University of Innsbruck, Austria and the College of Social Sciences, Economics and Business in Linz, Austria, doctorate in mathematics (Dr. phil.)
- 1971–1980 Kalle AG, Management Board Staff, Business Administration, Data Processing and Head of the Organization Department
- 1981–1989 Hoechst AG, Head of the Business Administration Department (Corporate Controlling)
- 1990–1995 Uhde GmbH, Managing Director for Finance, Controlling, Human Resources, Materials Management and Project Financing
- 1996–1999 GEA AG, Member (CFO) and later Spokesman of the Board of Management
- 1999–2007 RWE AG, Member of the Board of Management, Finance and Controlling Department

Membership of statutory supervisory boards:

- Bayer AG (since 2007)
- Hannover Rück SE (since 2000 Member, since 2007 Vice Chairman)

Membership of comparable control bodies of corporations in Germany or abroad:

- None

Masthead

Publisher

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English edition

Currenta GmbH & Co. OHG
Language Service

This translation is provided for convenience only.
The German version is the sole legally binding version.

Date of publication

Wednesday, February 22, 2017

Bayer on the internet

www.bayer.com

ISSN 0343/1975

Annual
Stockholders'
Meeting 2017
Information
available at:
bayer.com/asm



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online
Available at:
bayer.com/ar16



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Forward-Looking Statements:

This publication may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, 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 <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

€ million	2015	2016	Change from 2015 (%)
Bayer Group			
Sales	46,085	46,769	+1.5
EBITDA ¹	9,573	10,785	+12.7
EBITDA before special items ¹	10,256	11,302	+10.2
EBITDA margin before special items ¹	22.3%	24.2%	
EBIT ²	6,241	7,042	+12.8
EBIT before special items ¹	7,060	8,130	+15.2
Income before income taxes	5,236	5,887	+12.4
Net income (from continuing and discontinued operations)	4,110	4,531	+10.2
Earnings per share (from continuing and discontinued operations) (€) ³	4.97	5.44	+9.5
Core earnings per share (from continuing operations) (€) ¹	6.82	7.32	+7.3
Net cash provided by operating activities (from continuing and discontinued operations)	6,890	9,089	+31.9
Net financial debt	17,449	11,778	-32.5
Capital expenditures as per segment table	2,511	2,578	+2.7
Bayer AG			
Total dividend payment	2,067	2,233	+8.0
Dividend per share (€)	2.50	2.70	+8.0
Innovation			
Research and development expenses	4,274	4,666	+9.2
Ratio of R&D expenses to sales – Pharmaceuticals (%)	16.0	17.0	
Ratio of R&D expenses to sales – Crop Science (%)	10.7	11.7	
Employees in research and development	14,753	15,229	+3.8
Employees			
Number of employees ² (Dec. 31)	116,600	115,200	-1.2
Personnel expenses (including pension expenses) (€ million)	11,176	11,357	+1.6
Proportion of women in senior management (%)	28	29	
Proportion of employees with health insurance (%)	96	98	
Fluctuation (voluntary/total) (%)	5.0/13.9	4.6/12.3	
Hours of vocational and ongoing training per employee	20.0	22.1	10.5
Safety & Environmental Protection			
Recordable Incident Rate for Bayer employees (RIR) ³	0.42	0.39	-7.1
Loss of Primary Containment Incident Rate (LoPC-IR) ⁴	0.22	0.32	+45.5
Total energy consumption (terajoules)	83,182	84,494	+1.6
Energy efficiency (MWh/t) ⁵	6.34	6.77	+6.8
Total greenhouse gas emissions (CO ₂ equivalents in million t) ⁶	9.71	9.87	+1.6
Specific greenhouse gas emissions (CO ₂ equivalents in t/manufactured sales volume in t), according to the market-based method ⁷	1.69	1.54	-8.9
Hazardous waste generated (thousand t)	541	547	+1.1
Water use (million m ³)	346	330	-4.6

2015 figures restated; figures for 2012-2014 as last reported

¹ For definitions of the indicators see Chapter 2.4 "Alternative Performance Measures Used by the Bayer Group" in the Combined Management Report of the Bayer Annual Report 2016.

² Employees calculated as full-time equivalents (FTEs)

³ RIR = Recordable Incident Rate

⁴ LoPC = Loss of Primary Containment; number of incidents per 200,000 working hours in which chemicals leak from their primary container, such as pipelines, pumps, tanks or drums

⁵ Quotient of total energy consumption and manufactured sales volume; Life Sciences only

⁶ Direct emissions from power plants, waste incinerators and production plants and indirect emissions from external supplies of electricity, steam and refrigeration (according to the market-based method); portfolio-adjusted in accordance with the GHG Protocol

⁷ Life Sciences without Currenta

The Bayer Annual Report can be ordered using the postcard.

KEY DATA

Please send me the following
Publications

Financial Calendar

Q1 2017 Interim Report
April 27, 2017
Annual Stockholders' Meeting 2017
April 28, 2017
Planned dividend payment date
May 4, 2017
Q2 2017 Interim Report
July 27, 2017
Q3 2017 Interim Report
October 26, 2017
2017 Annual Report
February 28, 2018
Q1 2018 Interim Report
May 3, 2018
Annual Stockholders' Meeting 2018
May 25, 2018

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