

2. Compensation of the Supervisory Board

The Supervisory Board is compensated based on the relevant provisions of the Articles of Incorporation, which were last amended by the resolution adopted at the Annual Stockholders' Meeting on April 27, 2021. This system's four-year term is ending in 2025 and is being proposed for re-approval by shareholders at the 2025 Annual Stockholders' Meeting, with no changes proposed from the prior system.

2.1 Principles applied for Supervisory Board compensation

A company's Supervisory Board is tasked with advising and supervising the Board of Management, which directs the company and its business on its own responsibility. Pursuant to Section 113, Paragraph 1, Sentence 3 of the German Stock Corporation Act (AktG), the compensation of Supervisory Board members should bear a reasonable relation to their tasks and the company's situation. In setting Supervisory Board compensation, consideration should be given to the demands of the office of the Supervisory Board member, the time involved and the responsibility borne by the Supervisory Board members for the company. Appropriate Supervisory Board compensation ensures that a company will remain able to attract outstandingly qualified domestic and international candidates as Supervisory Board members. Supervisory Board compensation thus contributes sustainably to advancing a company's business strategy and to its long-term development.

2.2 Design of Supervisory Board compensation

The members of the Supervisory Board receive fixed annual compensation and additional compensation for chairing and membership of Supervisory Board committees, plus reimbursement of their expenses. In accordance with the recommendations of the German Corporate Governance Code, additional compensation is paid to the Chairman and Vice Chairwoman of the Supervisory Board, and for chairing and membership of committees. In addition, Supervisory Board members receive an attendance fee each time they take part in a meeting of the Supervisory Board or of a committee.

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Design of Supervisory Board Compensation

Compensation element	
Fixed compensation	// Chairperson: €480,000 // Vice Chairperson: €320,000 // Ordinary member: €160,000
Compensation for committee duties	// Chairperson and Vice Chairperson of the Supervisory Board do not receive any additional compensation for membership or chairing of committees // Compensation for committee duties is paid for a maximum of three committees (highest-paying functions taken into account).
Audit Committee	// Chairperson: €120,000 // Member: €60,000
Presidial Committee	// Chairperson: €40,000 // Member: €20,000
Nomination Committee	// Chairperson: €40,000 // Member: €20,000
Other committees	// Chairperson: €60,000 // Member: €30,000
Attendance fees	// €1,500 (for each meeting attended in person, by phone or virtually) ¹

¹ If multiple meetings are held on one day, only one attendance fee is paid.

The members of the Supervisory Board have given a voluntary pledge that, in the first five years of their Supervisory Board membership, they will each purchase Bayer shares to the value of 25% of their pretax fixed compensation, including any additional compensation for committee duties, and hold these shares for as long as they remain members. This does not apply to members who, under a service or employment contract, are prevented from purchasing shares, or who transfer at least 85% of their fixed annual compensation 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 requires them to transfer such compensation to their employer. If less than 85% of the fixed compensation is transferred, the voluntary pledge applies to the portion not transferred. By voluntarily pledging to invest in and hold Bayer shares, the Supervisory Board members reinforce their interest in the company's long-term success. The tables below show the components of the compensation awarded and due to each Supervisory Board member as well as the relative shares of the respective components in overall compensation. Awarded compensation encompasses compensation for services that have been fully rendered once the fiscal year ends.