Countermotions and Proposals for Election for the Annual Stockholders' Meeting 2025 of Bayer AG

This is a convenience translation. For the legally binding document, please refer to the original German version which is published on the Internet at https://www.bayer.com/de/investoren/gegenantraege-wahlvorschlaege-hv2025.

We designate with capital letters Proposals for Election and those countermotions for which you can place a tick how you would like to vote directly under the appropriate capital letter on the reply form or in the Stockholders' Portal.

The other countermotions, which merely reject proposals by the Board of Management and the Supervisory Board, or by the Supervisory Board alone, are not designated with capital letters. If you wish to vote for these countermotions, you must vote "No" to the respective item on the Agenda.

Countermotions and proposals for election as well as supporting information accompanying them reflect the views of the persons who submitted them. Assertions of fact and links to third-party websites have not been verified. Bayer Aktiengesellschaft does not assume any responsibility for the content nor does Bayer Aktiengesellschaft endorse third-party websites and their content.

From: Marco Arnhold
To: HV_Gegenantraege
Subject: Countermotion – Dividend
Date: Saturday, March 29, 2025, 20:36:35

Dear Sir or Madam,

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I hereby file a motion for the payment of a dividend of €2.35 per share for the previous fiscal year.

Best regards,

Marco Arnhold

[redacted]

Email: [redacted]
Tel.: [redacted]
Mobile: [redacted]

BAYER Aktiengesellschaft
Building Q26 (Legal Department)
Kaiser-Wilhelm-Allee 20
51373 Leverkusen

Dear ladies and gentlemen,

I hereby give notice of my intention to oppose the motions of the Board of Management and the Supervisory Board with regard to items 2, 3 and 7 of the Agenda, and will attempt to persuade the other stockholders to vote in favor of the following countermotion at the Annual Stockholders' Meeting on April 25, 2025:

2. Ratification of the actions of the members of the Board of Management
- The sales of average companies increase by about 4% annually (because annual global economic growth amounts to approximately 3-5%)
- Productivity increases (cost reduction) account for approximately 2% per year
- Price increases for approximately 2% annually

This results in earnings growth of 4% + 2% + 2% = 8% annually for average companies. That means unsuccessful companies generate earnings growth of less than 8% per year.

Unfortunately, all divisions of Bayer AG performed below average:
- Sales of **Consumer Health** declined by 2.6%
- Sales of **Pharmaceuticals** increased by a minimal 0.3%
- Sales of **Crop Science** declined by 4.3%

The Board of Management of BAYER AG has obviously been at a loss as to how to improve sales of the divisions, first to the average and then to the above-average range.

Bayer AG's continued hopeless situation is documented by the company's further declining year-end share price: €33.63 (2023) and €19.31 (2024). Bayer AG has been mired in crisis since the acquisition of Monsanto, which anyone can see from the company's stock performance. Stockholders invest good money in a seemingly sound company with supposedly good products – these investors have been cheated out of a lot of money, and possibly even their retirement savings.

The Board of Management wanted to mitigate litigation risks. Unfortunately, the litigation risks are increasingly becoming an existential threat. Stockholders are concerned and upset, particularly as regards the authorization to increase capital in exchange for cash contributions (agenda item 7). This is a major warning sign and continues to correspondingly impact the price of the company's stock, as exemplified by the judgment late last week in the United States requiring Bayer to pay billions in damages. Overall, however, this must be regarded as alarming and extremely concerning.

According to a media report, the hedge fund Elliott recently reignited the debate at Bayer concerning the spin-off of the self-care products business. That, too, is not good news for the remaining loyal Bayer stockholders. There are fears that, for example, a private equity firm – as with Walgreens – could launch a takeover bid at a low price and then delist BAYER. The valuable businesses such as **Consumer Health and Pharmaceuticals** would then be sold or relisted. The problematic division, **Crop Science**, would probably be carved out and then taken public under a new name, with its destiny left in the hands of the judicial system.

What's worrying about the Board of Management is that it is losing the stockholders' trust little by little. As BAYER AG has now sunk to the point that restructuring is urgently needed, the actions of the Board of Management should not be ratified.

3. Ratification of the actions of the members of the Supervisory Board
Variable salaries are customary in higher positions – as is also the case at Bayer AG. Those who hold management responsibility play a significant role in the **company's success** and should be rewarded in accordance with their performance.

The target attainment levels for the financial performance criteria are multiplied by the respective factor for each Bayer AG Board of Management member. The factor can range from **0.8 to 1.2** (i.e., +/20% – see page 379 of the 2024 Annual Report).

Average companies achieve annual sales growth of approximately 4%. This performance would correspond to a target attainment of **1.0**.

Unfortunately, sales of **Crop Science** declined by 4.3% in fiscal 2024. This deficient performance would actually correspond to an **0.8** on the Bayer AG scale. In the view of the Supervisory Board, the performance of the Board of Management member responsible for **Crop Science** corresponds to a target attainment of **1.0** (see page 380 of the 2024 Annual Report).

The Supervisory Board rated the target attainment of four Board of Management members at an even higher **1.1** on the Bayer AG scale. As a stockholder, one therefore asks oneself how the Supervisory Board would have assessed the performance of the Board of Management members if Bayer AG's sales had last year increased by 8%, for example.

The assessment of the respective target attainment from the Supervisory Board's perspective destroys all trust in Bayer AG for me as a stockholder.
When the Supervisory Board assesses their target attainment like this, each Board of Management member is encouraged to carry on muddling through to the detriment of Bayer AG and its stockholders.

In short: the performance of the Supervisory Board of Bayer AG was unsatisfactory. The actions of the members of the Supervisory Board should therefore not be ratified.

7. Creation of an Authorized Capital 2025 with the option to disapply subscription rights and amendment of Article 4(2) of the Articles of Incorporation. According to the Board of Management and the Supervisory Board, the Authorized Capital **2025** awaiting approval shall only be utilized if absolutely essential to safeguard the interests of Bayer Aktiengesellschaft, such as with regard to possible future settlement agreements with plaintiffs in the United States or other measures to largely contain lawsuits in that country.
These lawsuits are not new. As early as August 10, **2018**, Monsanto was sentenced by a Californian court jury to pay US$289 million in damages to a cancer victim. It also emerged that thousands of similar lawsuits were pending in the United States.
BAYER AG actually could not afford the dividend payment of €1,993 million for **2021**.
For fiscal **2022**, the Board of Management and the Supervisory Board proposed the payment of a dividend of €2.40 per share carrying dividend rights. One stockholder proposed a countermotion in this connection: "So as not to further increase the debt of BAYER AG as a result of the urgently needed reorganization and restructuring measures, it is moved that a dividend not be paid for fiscal 2022." Nonetheless, a total dividend of €1,985 million was paid out in **2022**.

This is the inappropriate time to create Authorized Capital 2025 for two reasons:
- First, the capital measure should have taken place at an earlier date (high share price of Bayer AG) to the company's advantage.
  Bayer stock key data (2024 Annual Report, page 24)

Equity per share: €33.67 (2023) and €32.84 (2024)
Year-end price: €33.63 (2023) and **€19.31** (2024)

- Furthermore, the capital measure at the current time sends a devastating signal to the plaintiffs that the BAYER Group itself no longer believes it can win these litigations.

According to page 259 of the 2024 Annual Report, equity of Bayer AG declined from €33,078 million (Dec. 31, 2023) to €32,045 million (Dec. 31, 2024). Sales of Crop Science declined by 4.3% due most likely to changing consumer behavior.
Deutsche **B**ahn used to consume 75 metric tons of glyphosate annually for railroad bed vegetation control, making **DB** the biggest end consumer in Germany. **DB** has already reduced its glyphosate use by more than half since 2020 relative to 2018. Among other measures, modern plant recognition camera systems have helped enable more precise application and thus a reduction of glyphosate use.
According to a news release from **DB**, that company planned to completely forgo glyphosate use beginning in 2023.
Deere & Co (John Deere) has developed a self-driving weed killer ("See and Spray") that is equipped with 36 cameras. As soon as the machine identifies a weed, a command to spray / destroy the weed is transmitted. Among the consequences of this is a substantial reduction in glyphosate use. As technological advances are ongoing, sales of Crop Science are likely to decline further in the future.
In view of this aspect, a **special audit** (to determine additional impairments of goodwill and the related impacts, e.g. on equity / no longer existent equity) by an independent auditor is expedient. Among other statements, the auditor hired by the Bayer Group, Deloitte GmbH, notes in its restrictions on use that its sole responsibility is to the company. It does not harbor any responsibility to third parties (Annual Report, page 364). The audit opinion of Deloitte GmbH is therefore of only limited usefulness for stockholders.
A **special audit** by an **independent** auditing firm would therefore be expedient to finally shed light on Bayer's financial situation. Once the audit report is available, a restructuring program could take place, for example, according to the German Corporate Stabilization and Restructuring Act (StaRUG). The glyphosate and PCB litigation risks could be taken into account during this process.

Unfortunately, the possible restructuring concept could be financially very painful for small stockholders of BAYER. The restructuring concept could largely comprise two stages: first, debt relief and the extension of loans. Additionally, the capital stock of BAYER AG could be reduced to ZERO euros. This means the stockholders would drop out without compensation and the company would lose its stock-market listing. Shares could then be reissued – albeit only to the new investor: the German government. After all, the German government has already supported Commerzbank, Lufthansa and Uniper. Only the German federal government has sufficient resources to bring the wave of litigation to an end so that BAYER can once again focus on what is important: its customers. This at least would enable almost all jobs to be saved.

The proposal by the Board of Management and the Supervisory Board to create authorized capital should be rejected because this measure would equate to a mere drop in the bucket. A capital reduction and a subsequent capital increase will presumably be proposed at the next Annual Stockholders' Meeting. This additional capital measure will also not be enough to satisfy the plaintiffs' claims. Except that then, even the most foolish stockholder will no longer be willing to invest good money in the "bottomless pit" that is BAYER, which would mean the end of the BAYER Group with all the associated negative consequences for nearly one hundred thousand jobs and billions in lost tax revenues for the public sector.

Pursuant to Sections 125 and 126 of the German Stock Corporation Act (AktG), I request that this countermotion and its statement of grounds be published.

Sincerely,

Stefan Trost