



**Declaration by the Board of Management and Supervisory Board  
of Bayer AG concerning the German Corporate Governance Code  
as amended on February 7, 2017 pursuant to Section 161  
of the German Stock Corporation Act (AktG)**

Under Section 161 of the German Stock Corporation Act, the Board of Management and the Supervisory Board of Bayer AG are required to issue an annual declaration that the company has been, and is, in compliance with the recommendations of the “Government Commission on the German Corporate Governance Code” as published by the Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger), or to advise of any recommendations that have not been, or are not being, applied and the reasons for this. An annual declaration was last issued in December 2017 and amended in May 2018.

With respect to past, present and future corporate governance practices at Bayer AG, the following declaration refers to the Code as amended on February 7, 2017.

Pursuant to Section 161 of the German Stock Corporation Act, the Board of Management and Supervisory Board of Bayer AG hereby declare as follows:

1. Since the last annual compliance declaration was issued in December 2017, the recommendations set out in the Code have been met, with two transitory exceptions that are set out in the May 2018 amendment to the compliance declaration dated December 2017.

The Code recommendation in Section 7.1.2, Sentence 3, was not complied with on one occasion as a result of the interim report for the second quarter of 2018 first being published on September 5, 2018 and thus not within 45 days of the end of the reporting period as recommended. The reason for this was that, with the acquisition of the Monsanto Company having closed in the second quarter, a multitude of measures needed to be undertaken as part of the first-time consolidation of the company. Despite all the preparations undertaken, the work required in this connection could not be carried out within 45 days of the end of the reporting period as recommended. The Board of Management and the Supervisory Board therefore considered a one-time deviation from the recommendation in question to be an appropriate course of action to ensure proper financial reporting for the second quarter of 2018.

The Code recommendation in Section 4.2.3, Paragraph 2, Sentence 8 was not complied with on one occasion because the performance targets for the short-term variable components of the Board of Management's compensation for 2018 were adjusted. The targets were set by the Supervisory Board at the beginning of 2018 originally on the basis of the 2018 budget. The closing of the acquisition of the Monsanto Company in the second quarter resulted in substantial deviations from the original planning for the current fiscal year of Bayer AG. This related to parameters and structural aspects that are relevant for the short-term compensation of members of the Board of Management of Bayer AG. To ensure that the short-term variable components of the Board of Management's compensation continued to be based on appropriate and challenging performance targets after the closing of the Monsanto acquisition, the relevant performance targets and structural aspects of this short-term variable compensation were adjusted. The Supervisory Board believes that these changes were necessary to ensure that the short-term variable compensation was appropriate.

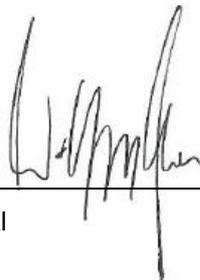
2. All the recommendations of the Code will be complied with in full in the future.

Leverkusen, December 2018

For the Board of Management:



Baumann



Nickl

For the Supervisory Board:



Wenning