



Science For A Better Life

INFORMATION ON
STOCKHOLDERS' RIGHTS

2016

BAYER AG
ANNUAL STOCKHOLDERS'
MEETING



1. 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 request that items 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 W 11
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 29, 2016. 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 Bundesanzeiger (Federal Gazette) in Germany 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.

Section 122, Paragraph 1, and Paragraph 2, of the AktG set out the legal basis for requesting additions to the agenda and read as follows:

- “(1) The stockholders' meeting shall be convened if stockholders whose shares together account for one-twentieth of the capital stock request such a meeting in writing, stating the purpose and the reasons for such a meeting; the request shall be addressed to the board of management. The articles of incorporation may provide that the right to require a stockholders' meeting to be convened shall be dependent upon another form or the holding of a lower proportion of the capital stock. Section 142, Paragraph 2, Sentence 2 shall apply with the corresponding modifications.
- (2) In the same manner, stockholders whose shares together account for one-twentieth of the capital stock or represent a proportionate amount of the capital stock corresponding to EUR 500,000 may request that items are added to the agenda and announced. Each new item shall be accompanied by the reasons for it or a proposed resolution. The request within the meaning of Sentence 1 shall be submitted to the company at least 24 days, in the case of listed companies at least 30 days, prior to the meeting; the day of receipt shall not be included in this calculation.”

Section 142, Paragraph 2, Sentence 2 of the AktG, which is deemed to apply with the corresponding modifications, reads as follows:

“The applicants shall provide evidence that they have been holders of the shares for at least three months prior to the date of the stockholders' meeting and will continue to hold the shares until a decision on the motion is made.”

Section 70 of the AktG (Calculation of the period of shareholding) reads as follows:

"If the exercise of rights arising from a share requires that the stockholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institution or an enterprise operating under Section 53, Paragraph 1, Sentence 1, or Section 53b, Paragraph 1, Sentence 1 or Section 53b, Paragraph 7, of the German Banking Act (KWG) shall be deemed equivalent to ownership. The period during which the share has been owned by a predecessor shall be attributed to the stockholder if he/she has acquired the share without consideration, from his/her trustee, as full legal successor, in connection with the winding up of a co-ownership or as a result of a transfer of assets pursuant to Section 13 of the Insurance Supervision Act (VAG) or Section 14 of the Building Loan Associations Act (BauSparkG)."

2. 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 as well as, in the case of proposals for election of Supervisory Board members, the instructions and information by the Board of Management on the composition of the Supervisory Board pursuant to 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 14, 2016, to the following address

Bayer Aktiengesellschaft
Building Q 26 (Legal Department)
Kaiser-Wilhelm-Allee 20
51373 Leverkusen
Germany
Fax: + 49 (0) 214/30-26786
E-mail: kv.gegenantraege@bayer.com

and the other requirements regarding the duty to ensure availability under Sections 126 and 127 of the AktG have been met.

The provisions of the German Stock Corporation Act underlying these stockholders' rights, which also determine the conditions under which the Company may refrain from making available counter motions and proposals for election, read as follows:

"Section 126 Motions by stockholders

- (1) Motions by stockholders together with the stockholder's name, the reasons, and any statement by management shall be made available to the persons entitled pursuant to Section 125, Paragraphs 1 to 3, under the conditions stated therein if the stockholder has sent a counter motion to a proposal of the board of management and supervisory board regarding a specific item on the agenda, with reasons, to the address indicated in the notice convening the meeting at least

14 days before the company's stockholders' meeting. The date of receipt shall not be taken into account. In the case of listed companies, availability shall be ensured via the company's website. Section 125, Paragraph 3, shall apply with the corresponding modifications.

(2) A counter motion and the reasons for this need not be made available, if:

1. the board of management would by reason of such communication become criminally liable;
2. the counter motion would result in a resolution of the stockholders' meeting that would be illegal or would violate the articles of incorporation;
3. the reasons contain statements that are manifestly false or misleading in material respects or that are libelous;
4. a counter motion by such stockholder based on the same facts has already been communicated to a stockholders' meeting of the company pursuant to Section 125;
5. the same counter motion of such stockholder on essentially identical grounds has already been communicated pursuant to Section 125 to at least two stockholders' meetings of the company within the past five years, and at such stockholders' meetings less than one-twentieth of the capital stock represented voted in favor of such counter motion;
6. the stockholder indicates that he or she will neither attend nor be represented at the stockholders' meeting; or
7. within the past two years, the stockholder has at two stockholders' meetings failed to make or cause to be made on his or her behalf a counter motion communicated to him or her.

The statement of reasons need not be made available if it totals more than 5,000 characters.

(3) If several stockholders make counter motions for resolution in respect of the same subject matter, the board of management may combine such counter motions and the respective reasons.

Section 127 Proposals for election by stockholders

Section 126 shall apply, with the necessary modifications, to proposals by stockholders for election of supervisory board members or the auditors of the financial statements. No reasons must be given for proposals for election. The board of management is not required to make the proposal for election available if it fails to contain the information stipulated in Section 124, Paragraph 3, Sentence 4, and Section 125, Paragraph 1, Sentence 5. The board of management shall supplement the proposal by a stockholder for election of supervisory board members of listed companies which are subject to the German Codetermination Act (MitbestG), the German Act on Codetermination in the Coal, Iron and Steel Industry (MontanMitbestG) or the German Supplementary Codetermination Act (MontanMitbestGErgG) with the following information:

1. reference to the requirements of Section 96, Paragraph 2,
2. statement whether there has been an objection to overall fulfilment pursuant to Section 96, Paragraph 2, Sentence 3, and
3. statement of minimum number of seats on the supervisory board to be occupied by women and men, respectively, to comply with the minimum quota pursuant to Section 96, Paragraph 2, Sentence 1.

Section 124, Paragraph 3, Sentence 4 (Proposals for resolutions)

The proposal for the election of members of the supervisory board or auditors shall state their names, actual profession and place of residence.

Section 125 Communications to stockholders and supervisory board members

- (1) At least 21 days prior to the date of the stockholders' meeting, the board of management shall communicate the notice of the stockholders' meeting to those credit institutions and stockholders' associations that exercised voting rights on behalf of stockholders at the preceding stockholders' meeting or that have requested such communication. The day of the communication shall not be included in the calculation. If the agenda has to be amended in accordance with Section 122, Paragraph 2, such amended agenda shall be communicated in the case of listed companies. The communication shall indicate the possibilities of exercising voting rights by a proxy, including by a stockholders' association. In the case of listed companies, any proposal for the election of supervisory board members must be accompanied by details on the membership in other supervisory boards whose establishment is required by law; details on their membership in comparable domestic and foreign controlling bodies of business enterprises should also be provided.
- (2) The board of management shall provide the same communication to stockholders who make such request or are registered as stockholders' in the company's stock register at the beginning of the 14th day before the meeting. The articles of incorporation may constrain communication to electronic means.
- (3) Every member of the supervisory board may request that the board of management send the same communication to him or her.
- (4) Upon request, every member of the supervisory board and every stockholder shall be sent the resolutions adopted at the stockholders' meeting.
- (5) Financial services institutions and enterprises operating under Section 53, Paragraph 1, Sentence 1, or Section 53b, Paragraph 1, Sentence 1, or Paragraph 7, of the German Banking Act (KWG) shall be treated as equivalent to credit institutions."

3. 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 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.

The provisions of the German Stock Corporation Act underlying these stockholders' rights, which also determine the conditions under which the Company may refrain from disclosing information, read as follows:

"Section 131 Right of stockholders to information

- (1) Each stockholder is entitled to request and receive information from the board of management during the 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. The duty of disclosure extends to the legal and business relationships of the company with an affiliated company. If a company makes use of the simplified procedures pursuant to Section 266, Paragraph 1, Sentence 3, Section 276, or Section 288, of the German Commercial Code (HGB), each stockholder may request that the annual financial statements be presented to him or her at the stockholders' meeting voting on such annual financial statements in the form which would have been used if such simplified procedures were not applied. During the stockholders' meeting in which the

consolidated financial statements and group management report are presented, the duty of disclosure of the board of management of a parent company (Section 290, Paragraphs 1 and 2 of the HGB) also extends to the position of the group and the companies included in the consolidated financial statements.

- (2) The information provided shall comply with the principles of conscientious and accurate accountability. The articles of incorporation or the rules of procedure pursuant to Section 129 may authorize the chairman of the meeting to limit the number of questions and speaking time of stockholders as appropriate and to lay down specific rules in this regard.
- (3) The board of management may refuse to provide information
 1. to the extent that providing such information is, according to prudent business judgment, likely to cause not inconsiderable damage to the company or an affiliated company;
 2. to the extent that such information relates to tax bases or the amount of certain taxes;
 3. with regard to the difference between the value at which items are reported in the annual balance sheet and any higher value of such items, unless the stockholders' meeting adopts the annual financial statements;
 4. with regard to accounting policies, if disclosure of such policies in the notes suffices to provide a true and fair view of the net assets, financial position, and results of operations of the company within the meaning of Section 264, Paragraph 2, of the HGB; the foregoing shall not apply if the stockholders' meeting adopts the annual financial statements;
 5. if provision of such information would render the board of management criminally liable;
 6. if, in the case of a credit institution or financial services institution, information about the accounting policies applied and calculations made in the annual financial statements, the management report, the consolidated financial statements, or the group management report need not be given;
 7. if the information is continuously available on the company's website for at least seven days prior to the stockholders' meeting as well as during the meeting.

The provision of information may not be denied for other reasons.

- (4) If information has been provided outside a stockholders' meeting to a stockholder by reason of his or her status as a stockholder, such information shall be provided to any other stockholder at the stockholders' meeting upon request, even if such information is not necessary to permit due and proper assessment of an agenda item. The board of management may not refuse to provide such information on the grounds of Paragraph 3, Sentence 1, Numbers 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (Section 290, Paragraphs 1 and 2 of the HGB), a joint venture (Section 310, Paragraph 1, of the HGB), or an associate (Section 311, Paragraph 1, of the HGB) provides the information to a parent company (Section 290, Paragraphs 1 and 2 of the HGB) for the purpose of inclusion of the company in the consolidated financial statements of the parent company, and the information is required for this purpose.
- (5) A stockholder who has been denied information may request that his or her question and the reason for which the information was denied be recorded in the minutes of the meeting."

In addition, the chairman of the meeting is authorized to adopt various measures of order and control at the Stockholders' Meeting. This also includes the restriction of the right of the stockholders to speak and pose questions. The underlying provision of the Articles of Incorporation of Bayer Aktiengesellschaft reads as follows:

Section 16 (excerpt)

- "(3) The chairman is entitled to set reasonable time limits on the right of the stockholders to speak and pose questions. In particular, he may at the beginning or during the Stockholders' Meeting set reasonable time frames for the course of the Stockholders' Meeting, for the comments on the specific agenda items, or for the specific questions and speeches."