

## **Counter motions and Proposals for Election for the Annual Stockholders' Meeting 2022 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/gegantraege-wahlvorschlaege-hv2022>.

We designate with capital letters those counter motions and election proposals 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 counter motions, 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 counter motions, you must vote "No" to the respective item on the Agenda.

Düsseldorf, 14.04.22

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Bayer Aktiengesellschaft  
Building Q 26 (Legal Department)  
Kaiser-Wilhelm-Allee 20  
51373 Leverkusen

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Building Q 26 (Legal Department)  
Kaiser-Wilhelm-Allee 20  
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### **Countermotion for the Annual Stockholders' Meeting of the BAYER Group on April 29, 2022**

I hereby announce that I object to the proposals of the Supervisory Board and the Board of Management with regard to Item 2 of the Agenda and would like to call on the stockholders to vote for the following countermotion:

#### **Countermotion to Agenda Item 2:**

#### **The actions of the members of the Board of Management shall not be ratified**

To date, BAYER has not been able to resolve the glyphosate litigation. Furthermore, no solution is in sight, because the company terminated the mediation talks in late May 2021. The Board of Management is responsible for this failure. The actions of its members must therefore not be ratified.

In spring 2021, BAYER submitted a settlement proposal to the presiding judge Vince Chhabria, who rejected it as "clearly unreasonable." His reasons for this decision: the compensation fund of US\$ 2 billion for future plaintiffs was too low and the four-year duration of the program was too short. In view of the long latency period between exposure to glyphosate and the emergence of non-Hodgkin lymphoma, he concluded, this was not acceptable. Affected individuals who became ill after a potentially very long time would have no reason to assume that there was anything in the compensation fund for them. Judge Chhabria was also unable to evaluate whether affected people would be suitably compensated by the fund. This too was attributable to a BAYER strategy: the company has kept the payment levels in all settlements previously arranged out of court a secret.

At this point, BAYER should have further improved its proposal. However, it was not prepared to do so. CEO Werner Baumann commented on Chhabria's statements as follows: "Unfortunately based on his recent order, it is clear that the court will not approve the plan without significant additional changes. And these significant changes are not in Bayer's interest."

In doing so, BAYER allowed two years of negotiation to come to an end without result. Instead, the company shifted its attention to an attempt to involve the Supreme Court of the United States of America in the "Glyphosate" affair, hoping that a fundamental verdict in its favor from this instance would help it fend off future claims. BAYER's second motivation for appealing to the U.S. Supreme Court is the fact that its verdicts are not decided by juries, whom the company believes are too emotional in their judgments.

BAYER has even pulled some tricks to take its legal conflicts to the Supreme Court. For example, the company paid one litigant who had already lost his case US\$ 100,000, so that it could appeal the case and then proceed through further legal instances, as this would give it a chance to have a case heard before the Supreme Court.

The Supreme Court, however, had no desire to concern itself with glyphosate straight away. It passed the matter of whether these legal disputes fell within its area of responsibility on to the policy-makers in December 2021. In this way, more valuable time goes by - time that the affected people do not have. More and more of them are dying without having received a single dollar from the company.

The Board of Management ignores their fates as it does those of the other individuals who have suffered harm and are likewise still waiting for their money. This is irresponsible. I therefore call on stockholders to vote against ratifying the actions of the members of the Board of Management.

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,

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Düsseldorf, 12.04.22

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Bayer Aktiengesellschaft  
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Kaiser-Wilhelm-Allee 20  
51373 Leverkusen

**Countermotion  
for the Annual Stockholders' Meeting of the BAYER Group on April 29, 2022**

I hereby give notice of my intention to oppose the motions of the Board of Management and the Supervisory Board with regard to Item 3 of the Agenda and instead urge the stockholders to vote in favor of the following countermotion:

**Countermotion to Item 3:  
The actions of the members of the Supervisory Board shall not be ratified**

On closer scrutiny, the BAYER Group's commitment to sustainability in general and climate protection in particular lacks all credibility.

This countermotion concerns BAYER's conduct in respect to the levies resulting from the Renewable Energy Sources Act (Erneuerbare Energien-Gesetz, EEG) introduced by the German federal government in 2000. The so-called renewable energy surcharge ("EEG-Umlage") was designed to promote the expansion of wind, hydro-electric, photovoltaic, geothermal and biomass power generation and thus make a major contribution to climate protection. In contrast to private households and small and medium-sized enterprises, which have paid their dues, BAYER employed influential consultancy firms and law offices to find ways of avoiding or at least minimizing these payments.

Renewable energy surcharges are not levied for self-generated power, so BAYER came up with an ingenious scheme to transform itself on paper into a power-station leaseholder, and in this way saved millions. The chosen method was the capacity lease model - the "Scheibenpacht-Modell."

Following an intervention by the Federal Network Agency (Bundesnetzagentur), however, the legislator stepped in and put an end to this practice with a revision of the Renewable Energy Sources Act. The state did not, however, require BAYER and other industrial adopters of the capacity lease model to make repayments. Indeed, it allowed them in accordance with § 104 section 4 to maintain this practice if they considered their "self-generation concepts" to be legally compliant. This is what BAYER did, and so the game continued uninterrupted.

Several transmission system operators which regard themselves as "trustees of the EEG account" had no intention of tolerating this, however, and submitted actions for disclosure. For example, AMPRION filed a legal challenge against a capacity lease contract that CURRENTA – at that time still a 60 percent-owned subsidiary of BAYER – signed with HÜTTENWERKEN KRUPP MANNESMANN (HKM). According to the terms of this agreement, CURRENTA leased two units of power station capacity with an output of 150 megawatts from HKM and in this way transformed itself into a self-generator of electricity in the distant city of Duisburg. This absurd construct was rightly rejected by the District Court of Duisburg. "On the basis of the presented standards, no self-generation [...] is taking place," ruled the judge. Cologne District Court came to the same verdict in another case in which BAYER was also a defendant.

BAYER and the other black sheep in the industry were alarmed at the prospect of having to make repayments. Supported by the Association of the German Chemical Industry (VCI), corporate consultancy firms and law offices, they therefore exerted huge pressure on the federal government. BAYER alone wrote three letters about this issue.

These efforts ultimately met with success. The Federal Minister for Economic Affairs at the time, Peter Altmeier (CDU), initiated a further revision of the Renewable Energy Sources Act with an amnesty provision as requested, in order to “put an end to legal disputes.” With this, the government capitulated to the power of the multinational companies, thereby forgoing billions of euros for the expansion of renewable energy which is currently needed more urgently than ever before.

With this conduct, the BAYER Group prevented the implementation of measures which are urgently needed to be able to meet the Paris climate objectives. The Supervisory Board made no attempt to stop the Board of Management. The actions of its members therefore must not be ratified.

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

Sincerely,

A solid black rectangular redaction box covering the signature area.

[REDACTED]

Bayer Aktiengesellschaft  
Building Q 26 (Legal Department)  
Kaiser-Wilhelm-Allee 20  
51373 Leverkusen

April 6, 2022

### **Counter-motion for the BAYER Annual Stockholders' Meeting on April 29, 2022**

I hereby announce that I object to the proposals of the Supervisory Board and the Board of Management with regard to Item 3 of the Agenda and would like to call on the stockholders to vote for the following counter-motion:

#### **Counter-motion to Agenda Item 3: Ratification of the actions of the members of the Supervisory Board**

The BAYER Group engages in lobbying to influence politics not only in the Federal Republic of Germany, but also in the European Union. By doing so, it violates principles of transparency and proportionality. The Supervisory Board once again failed to fulfill its control function in the past fiscal year. The actions of its members should therefore not be ratified.

Influential interest groups steer EU policy in Brussels. BAYER AG also ranks among the industrial lobby groups that must provide information about its groveling in the transparency register. Hence, it tries to bring its influence to bear in pharmaceutical, chemical, agricultural and digital policies, among others, and to bring about decisions in these areas in the interests of the company.

However, the Group does not disclose information about the specific intentions and target individuals of its lobbying activities. BAYER states that it has only had 5-10 official appointments per year with European Commission members since 2015. It does not mention preparatory, spontaneous meetings or "meetings of a purely private or social nature."

BAYER AG claims that there are 74 people in total representing the Group's interests or acting on its behalf in Brussels. The representation costs for these so-called "intermediaries" – individuals as well as associations – are stated for the last fiscal year. However, the cost information does not go beyond rough sums or categories of sums; nor does it detail the beneficiaries.

The annual costs of activities falling within the scope of the transparency register by, or on behalf of, BAYER still amount to between 6.5 and 7 million euros - officially. A more detailed breakdown of expenditures and uses is imperative in the public interest for such large sums.

However, the current Supervisory Board has so far failed to show any commitment to greater transparency in the company's lobbying and back-room politics, which is why I call on stockholders to refuse to ratify the actions of its members.

I request that this counter-motion and its statement of grounds be published pursuant to Sections 125 and 126 of the German Stock Corporation Act (AktG).

Sincerely,

[REDACTED]

**With regard to the composition of the Supervisory Board, the Board of Management makes the following statement pursuant to Section 127, Sentence 4 German Stock Corporation Act (AktG) in conjunction with Section 96, Sentence 2 AktG:**

**At least 30 percent of the members must be women and at least 30 percent 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 four women and six men; therefore, the minimum quota is currently fulfilled by the stockholders' representatives.**

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Countermotion of Coordination gegen Bayer-Gefahren e.V.  
Postfach 150418, D-40081 Düsseldorf,  
dated April 6, 2022

#### Countermotion for the BAYER Annual Stockholders' Meeting on April 29, 2022

We hereby announce that we object to the proposals of the Board of Management and the Supervisory Board with regard to Item 4 of the Agenda and intend to call on the stockholders to vote for the following countermotion:

#### Countermotion to Item 4: Supervisory Board elections

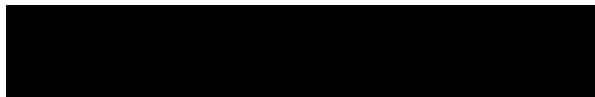
We hereby propose that the following candidates be elected with effect from the end of the ordinary Annual Stockholders' Meeting 2022 through to the end of the Annual Stockholders' Meeting that will resolve on the ratification of their actions for the fiscal year 2025:

- B**  
**C**  
**D**
- a) Brigitte Hinch-Weisel, educator  
Honorary member of the Executive Committee of the Coalition against BAYER Dangers
  - b) Uwe Friedrich, Dipl. Ing.  
Honorary member of the Executive Committee of the Coalition against BAYER Dangers
  - c) Jan Pehrke, journalist  
Honorary member of the Executive Committee of the Coalition against BAYER Dangers

This proposal is based on these candidates' many years of expertise in assessing the requirements that a company must set itself in order to be able to manufacture in a socially just and ecological manner.

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

**On behalf of the Executive Committee of the Coalition against BAYER Dangers**



Countermotion of Coordination gegen Bayer-Gefahren e.V.  
Postfach 150418, D-40081 Düsseldorf,  
dated April 6, 2022

### Countermotion for the BAYER Annual Stockholders' Meeting on April 29, 2022

We hereby announce that we object to the proposals of the Board of Management and the Supervisory Board with regard to Item 1 of the Agenda and intend to call on the stockholders to vote for the following countermotion:

#### **A** Countermotion to Item 1: Use of the Distributable Profit

We request that the dividend be reduced to €0.10 per share. The freed-up monies should be used as follows:

- for the preservation and creation of safe and environmentally friendly jobs and for the payment of socially just wages;
- for a fund to adequately compensate damages that have occurred to people, animals and the environment as a result of the company's business activities;
- for the comprehensive economic, ecological and social reorganization of the enterprise;
- for the payment of reparations to those injured by the MONSANTO subsidiary's herbicide AGENT ORANGE;
- for the payment of reparations to people whose health has been damaged through the use of glyphosate.

We would like to state that we would certainly be willing to request that no dividend be paid at all in order to fund the aforementioned efforts if this were legally possible. Unfortunately, that is not the case.

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

**On behalf of the Executive Committee of the Coalition against BAYER Dangers**





**Countermotion of Coordination gegen Bayer-Gefahren e.V.**  
Postfach 150418, D-40081 Düsseldorf,  
dated April 5, 2022

## **Countermotion for the BAYER Annual Stockholders' Meeting on April 29, 2022**

We hereby announce that we object to the proposals of the Board of Management and the Supervisory Board with regard to Item 5 of the Agenda and intend to call on the stockholders to vote for the following countermotion:

### **Countermotion to Item 5: Resolution on the Approval of the Compensation Report**

The Supervisory Board is proposing compensation for the Board of Management that is too high. Payments that are many times higher than the average annual salary of BAYER's nonmanagerial employees and neither internally nor externally justifiable. Moreover, the company makes part of the compensation contingent on an increase in the profitability of the business, thus creating false incentives. We therefore call on stockholders to refuse to approve the Compensation Report in its present form.

The Compensation Report specifies no less than 8.2 million euros, including pension commitments, as target compensation for the Chairman of the Board of Management. Compensation of the other Board of Management members is in the range of three to four million euros. That is far too much.

Furthermore, the Group ties the performance-related components of the Board of Management's income almost exclusively to financial criteria. "Growth, profitability, liquidity and return on investment are the relevant financial performance indicators for incentivization within the scope of our compensation system for the Board of Management," the Compensation Report states. This encourages the Board members to focus on returns without regard for human, animal and environmental welfare.

Particularly compared to the compensation of other company employees, the sums involved are beyond any reasonable measure. Thus, at BAYER the CEO earns 95 times more than the average employee. The other members of the Board of Management rake in 57 times more. To make matters worse, the gap widened yet again in 2021. While Board of Management salaries increased by 4.7 percent, those of nonmanagerial employees only rose by 1.3 percent.

The Association of Ethical Shareholders Germany criticized this gap already at the 2009 Annual Stockholders' Meeting and asked those responsible whether they would be prepared to reduce the gap, initially and as a first step, to a factor of 20. Even that was unacceptable to the company. The then Supervisory Board Chairman Manfred Schneider argued against such "statistical limits."

What's more, the Supervisory Board determined the Board of Management's compensation system although well aware of the disproportionality to other employees' incomes. According to the Compensation Report, it had previously made a "vertical comparison" between the compensation of the Board, of the management levels below it, and of the overall workforce, and still found nothing objectionable in approving millions of euros as compensation.

In the view of the Coalition against BAYER Dangers (CBG), this shows a complete lack of social awareness. We therefore call on stockholders to reject the compensation system as put forth in the Compensation Report.

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

**On behalf of the Executive Committee of the Coalition against BAYER Dangers**



**Countermotion of Coordination gegen Bayer-Gefahren e.V.**  
Postfach 150418, D-40081 Düsseldorf,  
dated April 3, 2022

### **Countermotion for the BAYER Annual Stockholders' Meeting on April 29, 2022**

We hereby announce that we object to the proposals of the Board of Management and the Supervisory Board with regard to Item 2 of the Agenda and intend to call on the stockholders to vote for the following countermotion:

#### **Countermotion to Agenda Item 2:**

#### **The actions of the members of the Board of Management shall not be ratified**

BAYER sells numerous pesticides worldwide which are not (or are no longer) authorized for use within the European Union due to their risks to humans, animals, and the environment. The Board of Management is responsible for this business policy. The actions of its members therefore must not be ratified.

This double standard is particularly frequently applied in countries in the southern hemisphere. In Brazil alone, BAYER markets a dozen agrochemicals which do not have regulatory approval in the EU, as various studies by INKOTA and other initiatives have verified.

According to a joint "Unearthed" and "Public Eye" study, BAYER sells the neonicotinoid active substances imidacloprid and clothianidin in Brazil, both of which were taken off the market by the EU in 2018 since they are harmful to bees. The World Health Organization (WHO) has confirmed that these products have "far-reaching harmful effects on bees and other beneficial insects," and Dave Goulson, a biologist from the University of Sussex, has even described them as a kind of "Novichok for bees." Other high-risk BAYER substances which are not allowed on fields in the EU such as cyclanilide, ethiprole, ethoxysulfuron, fenamidone, indaziflam, ioxynil, oxadiazon, probineb, thidiazuron, thiodicarb and thiram are likewise on sale in Brazil.

Not least for that reason, the country has approximately 15 cases of pesticide poisoning daily. Especially in the state of Mato Grosso, with its seemingly endless fields of soy and corn monocultures, the people suffer from non-stop exposure to a cocktail of chemicals. "You have a bitter taste in your mouth. You don't want to breathe in any more poison. You want to inhale a different kind of air – but there isn't any. Then you feel weak, you can't get up (...)." This is how Jakaira, an indigenous man from the state, described how he was poisoned to the HUMAN RIGHTS WATCH initiative.

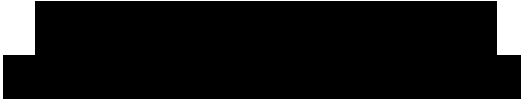
The long-term consequences of pesticide application have been documented by scientists at the University of Cuiabá in Mato Grosso. Scientists found 1,442 cases of stomach, esophageal or pancreatic cancer in Mato Grosso in 2016, while in states without large-scale agriculture the figure was only 53. "Molecular colonialism" is how Brazilian scientist Larissa Bombardi describes the behavior of BAYER and its peers. "It is unacceptable that certain substances are banned in the EU, but BAYER and BASF sell them to Brazil," says Bombardi. And other critics of pesticides from Brazil, Germany and other countries have likewise repeatedly criticized BAYER's double standards regarding "field poisons" at Annual Stockholders' Meetings in recent years.

Nonetheless, the current Board of Management is still not prepared to change BAYER's business policy in this area. We would therefore like to request that the stockholders do not ratify the actions of the Board.

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

On behalf of the Executive Committee of the Coalition against BAYER Dangers





Bayer Aktiengesellschaft  
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51373 Leverkusen

Saturday, April 2, 2022

### **Counter-motion for the BAYER Annual Stockholders' Meeting on April 29, 2022**

I hereby announce that I object to the proposals of the Supervisory Board and the Board of Management with regard to Item 2 of the Agenda and would like to call on the stockholders to vote for the following counter-motion:

#### **Counter-motion to Agenda Item 2: Ratification of the actions of the members of the Board of Management**

The BAYER Group's production processes, with their sole focus on profit, contribute to climate degradation. The Board of Management is responsible for this practice. The actions of its members should therefore not be ratified.

In 2021, the company emitted 3.17 million metric tons of climate-damaging greenhouse gases. While the figures for purchased electricity fell due to an increase in the share of renewable energies, there was virtually no change in self-generated electricity. The figure only dropped from 2.01 to 1.93 million metric tons. To make matters worse, BAYER also consumed 7.4 percent more coal than in 2020.

The agriculture business accounted for the majority of the emissions. Here, the production of glyphosate has proven to be particularly harmful to the climate. Releasing the phosphorous precursor from the phosphorite sedimentary rock requires enormous amounts of energy, since the furnace at the Soda Springs site needs to be heated to an operating temperature of 1,500°C.

The COALITION AGAINST BAYER DANGERS (CBG) has long been demanding that this production process be modified. But the BAYER Group has so far shown no willingness to do so. Instead, its approach is "to compensate for" rather than "to reduce". The agriculture giant intends to offset a large part of its greenhouse emissions by investing in projects such as reforestation, among others. The company plans to achieve up to 58 percent of its target of becoming climate-neutral by 2030 through such projects, described by Der Spiegel as "the selling of green indulgences". The global player gave its climate performance a positive spin to the tune of 300,000 metric tons of CO<sub>2</sub> in this fashion in 2021. But these delicate plants haven't even begun to serve as carbon dioxide reservoirs yet. Thus, this penance for climate sins committed today will only make a difference – if at all – much later.

BAYER should respond much more radically to the challenges of climate change and truly transform the way it does business. The current Board of Management has yet to show any sign of doing so, which is why I call on stockholders to refuse to ratify the actions of its members.

We request notification of this counter-motion and the reasons for it pursuant to Sections 125 and 126 of the German Stock Corporation Act (AktG).

Sincerely,





Bayer Aktiengesellschaft

E-mail: [hv.gegenantraege@bayer.com](mailto:hv.gegenantraege@bayer.com)

March 17, 2022

Ladies and Gentlemen,

On behalf of and under the power of attorney in your possession from Aquilus Inflection Master Fund Limited I object to the resolution proposed by the Board of Management and Supervisory Board under agenda item 2 of the Annual General Meeting of Bayer Aktiengesellschaft on April 29, 2022 concerning the ratification of the actions of the Chairman of the Board of Management, Mr. Werner Baumann.

Reasons:

The actions of Mr. Baumann are not to be ratified. Under his leadership, from 1 May 2016 to 28 February 2022, Bayer's share price has declined by -48%, significantly underperforming market indexes and peers<sup>1</sup>, EBITDA has declined -33% and Dividends per Share (DPS) by -20%<sup>2</sup>. Even adjusting for litigation provisions (glyphosate and others) and massive restructuring expenses, Core Earnings Per Share from continuing operations (Core EPS) have declined by more than -4%<sup>2</sup>. During the same period, Net Financial Debt and Provisions have increased by respectively €15.7 billion and €8.8 billion<sup>3</sup>.

Finally, Mr. Baumann has failed to lay out and implement a strategy that produces a long-lasting growth in Crop Science and Pharmaceuticals, to the detriment of all stakeholders.

This is reflected in a Core EPS guidance for 2024 of €7.0-7.5 implying only a 1% CAGR over the 2015 to 2024 period<sup>4</sup> even without taking into account litigation provisions and restructuring expenses.

I also call on you to give effect to shareholders' rights at your virtual Annual General Meeting by conducting a vote on agenda item 2 by way of individual ratification and providing the relevant forms for the vote.

Sincerely yours



<sup>1</sup> DAX, SXXP up +44%, +33% respectively during that period. Sanofi, Novartis, Roche, Corteva (since IPO) up respectively +30%, +32%, +54%, +92% (all share price performances in Euro)

<sup>2</sup> FY2015 vs. FY2021. Source: Bayer's Annual Report 2015 (page 3), Bayer's Annual Report 2021 (page 2)

<sup>3</sup> FY2015 vs. FY2021. Source: Bayer's Annual Report 2015 (page 3), Bayer's Annual Report 2021 (page 2). Other Provisions (excluding pension and employee benefits) (pages 307 and 191, respectively)

<sup>4</sup> FY2015 vs. FY2024E management guidance. Source: Bayer's 2021 Capital Markets Day



## **Statement by the Supervisory Board and the Board of Management of Bayer AG on the countermotion of Aquilus Inflection Master Fund on agenda item 2**

The Supervisory Board and the Board of Management of Bayer AG comment on the countermotion of Aquilus Inflection Master Fund dated 17 March 2022 on agenda item 2 (ratification of the actions of the members of the Board of Management for the fiscal year 2021) as follows:

The Supervisory Board and the Board of Management maintain their proposed resolution to ratify the actions of all members of the Board of Management of the Company for the fiscal year 2021.

The Supervisory Board and the Board of Management are unanimously of the opinion that there is no reason to deny discharge to individual members of the Board of Management for the fiscal year 2021. On the contrary, the Board of Management under the leadership of the Chairman of the Board of Management successfully managed the Group in the past fiscal year – the period to which the resolution on discharge relates:

The Board of Management increased sales of Bayer Group to more than EUR 44.0 billion in the past year, which continued to be marked by difficult conditions as a result of the global pandemic. This corresponds to a currency-adjusted and portfolio-adjusted increase of almost 9%. The Group's forecast, which had been adjusted twice, was not only met but actually exceeded. This strong growth was made possible by all three divisions of the Bayer Group, which grew dynamically and more strongly than their respective markets. Sales in the Crop Science Division even grew at a double-digit rate, reaching a record level of EUR 20.2 billion. Adjusted earnings per share were EUR 6.51, an increase of almost 2% compared to the previous year. Free cash flow increased by around 5.4% year-on-year to more than EUR 1.4 billion. The operational business – driven by the strategy of the Board of Management under the leadership of its Chairman – is thus very successful. The results in 2021 and outlook for fiscal 2022 were positively received by the capital markets and following the announcement, the stock was even able to increase its strength relative to the market.

Focused on basic human needs, Bayer's Life Science portfolio has proven to be highly resilient throughout the coronavirus pandemic. That is also the case in the current crisis triggered by the war of aggression against Ukraine. While soaring energy prices are posing a huge problem for many companies, Bayer's portfolio changes over the past ten years have made it considerably less energy-intensive, with the result that the additional costs only play a minor role.

Of greater importance is the contribution that Bayer makes to the global food supply as a leading agriculture company. The world is unquestionably heading towards a food crisis; the question is how severe it will be. The situation, which was already strained due to the pandemic, extreme weather events and relatively weak harvests in Africa and Latin America, has now deteriorated into a grain supply crisis. Bayer will do everything in its power to help farmers mitigate this food crisis to the greatest possible degree in the short term. At the same time, the Group's aim is to provide innovative medium- and long-term solutions to help feed up to 10 billion people in a sustainable way in the future.

Furthermore, the Board of Management in implementing its strategy also took important steps to continue the operational success of the past fiscal year in 2022 and the years to follow. It was able to





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further greatly improve the foundation for sustainable growth for the Group as a whole. In the Pharmaceuticals Division, for example, Bayer made important progress with the market launch of several products with peak sales potential amounting to billions of euros – so-called "blockbuster candidates". All three clinical Phase 3 products (Verquvo, Kerendia and Nubeqa) were successfully launched. Following positive data from a further major study on Nubeqa, the Group recently raised the peak sales potential of the product significantly, from EUR 1 billion to over EUR 3 billion. Through targeted acquisitions, such as those of the U.S. companies AskBio, Bluerock and Vividion, and through strategic partnerships, for example with Mammoth Biosciences in the field of novel gene editing technologies, the Board of Management was able to increasingly gain access to areas with promising long-term innovation potential. Bayer also secured a two-year extension of the important patent for Xarelto in Europe. In the Crop Science and Consumer Health divisions, too, the Board of Management took significant steps to ensure the future success of these divisions by launching innovative products and entering into important partnerships, including a strategic alliance with Microsoft in the agricultural business. Moreover, Bayer recently announced the divestment of its Environmental Science business at the very attractive price of around EUR 2.4 billion.

Bayer's share price last year was unsatisfactory and did not come close to reflecting the true value of Bayer AG. This is also evident in assessments by many external analysts, who have long considered significantly higher share prices to be justified. In the opinion of the Supervisory Board and the Board of Management, the glyphosate litigation in the United States in particular is weighing on the share price and still preventing it from performing adequately and from reflecting the Company's true intrinsic value. However, the Company was also able to make considerable progress in this complex of proceedings last year. Firstly, the Board of Management developed a Five-Point Plan, in particular to request a review of the "Hardeman" case by the U.S. Supreme Court. If the U.S. Supreme Court upholds Bayer AG's legal position, this could largely put an end to the glyphosate litigation. Should this not be the case, Bayer AG has made sufficient provisions in the second quarter of 2021 to be prepared for the risk of a negative decision. Secondly, Bayer AG prevailed in two cases before the courts in the glyphosate litigation last year, and the responsible jury declared in each case that the illnesses in question were not attributable to the use of a product containing glyphosate. The Supervisory Board and Board of Management believe that the positive development of the operating business and the progress achieved in the glyphosate complex are also reflected in the fact that the Bayer AG share price has risen by more than 20% since the beginning of the year and has outperformed the DAX by over 30% during this period.

For these reasons – which are only summarized in this statement – the Supervisory Board and the Board of Management are of the opinion that it is appropriate to approve the actions of all members of the Board of Management for the relevant discharge period – the past fiscal year 2021. The Supervisory Board has unreserved confidence in the work of the Board of Management under the leadership of the Chairman of the Board of Management and in the strategy developed by the Board of Management.

**To the extent that the countermotion of the Aquilus Inflection Master Fund additionally requests that the vote on the ratification of the acts of the members of the Board of Management be**



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**conducted as individual resolutions on the ratification of each member of the Board of Management, such a request is not permissible under the statutory provisions of the COVID19 Act in the context of a virtual stockholders' meeting such as the Annual Stockholders' Meeting 2022 of Bayer AG. The vote on the ratification under agenda item 2 will therefore be carried out as a group ratification.**

The Supervisory Board and the Board of Management therefore propose that the actions of the members of the Board of Management be ratified under agenda item 2 of the Annual General Meeting 2022.