



Notice

of the
Annual Stockholders' Meeting
of Bayer AG
on April 29, 2022

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Bayer Aktiengesellschaft**Leverkusen, Germany****- ISIN DE000BAY0017 -****Notice****convening the Annual Stockholders' Meeting****on April 29, 2022,****as a virtual Annual Stockholders' Meeting**

In view of the continuing spread of the SARS-CoV-2 coronavirus and its associated COVID-19 disease, we hereby convene our Annual Stockholders' Meeting as a virtual Meeting without the physical presence of stockholders or their proxy holders on Friday, April 29, 2022, at 10:00.

Agenda

1. Presentation of the confirmed annual financial statements and the approved consolidated financial statements, the combined management report, the report of the Supervisory Board and the proposal by the Board of Management on the use of the distributable profit for the fiscal year 2021, and resolution on the use of the distributable profit

The Board of Management and the Supervisory Board propose that, of the distributable profit of EUR 2,055,045,684.07 reported in the annual financial statements for the fiscal year 2021, an amount of EUR 1,964,848,164.00 be used to pay a dividend of EUR 2.00 per share carrying dividend rights and the remaining amount of EUR 90,197,520.07 be transferred to other retained earnings.

The dividend amount is determined based on the number of shares carrying dividend rights on the date the annual financial statements were prepared by the Board of Management. If the Company holds own shares on the date of the Annual Stockholders' Meeting and the number of shares carrying dividend rights on the date of the Meeting is therefore lower than the number on the date the annual financial statements were prepared, the Board of Management and Supervisory Board shall present an amended proposal on the use of the distributable profit to the Meeting, to the effect that the proposed dividend shall remain unchanged at EUR 2.00 per share carrying dividend rights, the transfer to other retained earnings shall remain unchanged at EUR 90,197,520.07 and the remainder of the distributable profit shall be carried forward.

In accordance with Section 58, Paragraph 4, Sentence 2 of the German Stock Corporation Act (AktG), the entitlement to the dividend is due on the third business day following the resolution of the Annual Stockholders' Meeting, namely on Wednesday, May 4, 2022.

The annual financial statements prepared by the Board of Management on February 18, 2022, were approved by the Supervisory Board on February 25, 2022, in accordance with Section 172, Sentence 1 of the AktG; the annual financial statements are thus confirmed. The Supervisory Board also approved the consolidated financial statements. No resolution on the confirmation of the annual financial statements or on the approval of the consolidated financial statements in accordance with Section 173 of the AktG by the Annual Stockholders' Meeting is therefore required. The other documents mentioned above shall be made available to the Annual Stockholders' Meeting in accordance with Section 176, Paragraph 1, Sentence 1 of the AktG without the need for adoption of a resolution, with the exception of the resolution on the use of the distributable profit.

2. Ratification of the actions of the members of the Board of Management

The Board of Management and the Supervisory Board propose that the actions of the members of the Board of Management who held office in the fiscal year 2021 be ratified for this period.

3. Ratification of the actions of the members of the Supervisory Board

The Board of Management and the Supervisory Board propose that the actions of the members of the Supervisory Board who held office in the fiscal year 2021 be ratified for this period.

4. Supervisory Board elections

In accordance with Section 96, Paragraphs 1 and 2 and Section 101, Paragraph 1 of the AktG and Section 7, Paragraph 1, Sentence 1, No. 3 of the German Codetermination Act (MitbestG) of 1976, the Company's Supervisory Board is composed of twenty members, ten of whom are elected by the stockholders and ten by the employees. At least 30 percent of the members of the Supervisory Board must be women and at least 30 percent of the members of the Supervisory Board must be men. In principle, this minimum quota must be fulfilled by the Supervisory Board as a whole. However, the stockholders' 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 the upcoming 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, thus the minimum quota is currently being fulfilled.

The terms of office of the stockholders' representatives on the Supervisory Board, Dr. Paul Achleitner, Dr. Norbert W. Bischofberger and Colleen A. Goggins, will end on conclusion of the 2022 Annual Stockholders' Meeting. The Supervisory Board proposes that these individuals be re-elected as members of the Supervisory Board with effect from the end of the 2022 Annual Stockholders' Meeting for the period through the end of the Annual Stockholder's Meeting that will resolve on the ratification of their actions for the fiscal year 2025. This proposal by the Supervisory Board is based on the recommendation of the Nominations Committee and takes into account the targets determined by the Supervisory Board for its composition, the profile of expertise developed by the Supervisory Board, the diversity concept for the body as a whole as well as the outcome of the self-assessment of the Supervisory Board carried out with the support of an independent external board consultant. Dr. Achleitner and Ms. Goggins are members of the Nominations Committee but were not involved in the recommendation it put forward.

In determining the targets for its composition, the Supervisory Board envisaged a balanced distribution with regard to its members' length of service, thus ensuring the right mix between in-depth knowledge of Bayer, its strategy and operations on the one hand and a new perspective on the company and the challenges it faces on the other. No more than 20 percent of the stockholders' representatives are to have been in office for more than 12 years.

The elections to the Supervisory Board are to be held as individual elections and in each case for a term of office of four years. With the proposed term of office of four years the Company is considering the expectations of international investors in particular. Bayer is making use of the option provided in the Articles of Incorporation to elect members of the Supervisory Board for a shorter term of office than the maximum term of five years (Section 8, Paragraph 2, Sentence 2 of the Articles of Incorporation).

1) **Dr. Paul Achleitner**, Munich, Germany

Chairman of the Supervisory Board of Deutsche Bank Aktiengesellschaft (until May 19, 2022)

Memberships on statutory supervisory boards:

- Bayer Aktiengesellschaft (listed)
- Deutsche Bank Aktiengesellschaft (Chairman, until May 19, 2022, listed)

Memberships in comparable supervising bodies of German or foreign corporations:

- Henkel AG & Co. KGaA (member of the Shareholders' Committee, listed)

Dr. Achleitner has been a member of the Company's Supervisory Board since 2002. He is being proposed for re-election in order to ensure adequate continuity on the Supervisory Board in view of the fact that in recent years several Supervisory Board members have been elected to the Supervisory Board for the first time, that the average term of office of the stockholders' representatives at the end of 2021 was less than four years if Dr. Achleitner is not taken into account, and that on conclusion of the 2022 Annual Stockholders' Meeting it is expected that five new employee representatives will join the Supervisory Board. Dr. Achleitner has indicated that on conclusion of the election term proposed herein, he will not be available for further terms.

In addition to his international business experience, Dr. Achleitner supports the work of the Supervisory Board in particular through the expertise and experience he possesses in the fields of finance and capital markets, human resources, controlling and risk management, and governance and compliance with particular expertise in German corporate governance including questions of co-determination. Furthermore, Dr. Achleitner has developed a very valuable understanding of Bayer and its culture.

The Supervisory Board has satisfied itself that Dr. Achleitner is able to meet the expected time

commitment for performing his Supervisory Board duties. In 2021, Dr. Achleitner attended all meetings of the Supervisory Board and all meetings of the committees of the Supervisory Board of which he is a member, with the exception of two committee meetings. In addition, on conclusion of the Annual General Meeting of Deutsche Bank Aktiengesellschaft, which is to be held on May 19, 2022, Dr. Achleitner will step down from the Supervisory Board of Deutsche Bank Aktiengesellschaft.

Dr. Achleitner meets one of the criteria for limited independence that is set out in recommendation C.7 of the German Corporate Governance Code due to his tenure on the company's Supervisory Board of more than 12 years. However, the Supervisory Board firmly believes that Dr. Achleitner will remain impartial in every respect as he continues to perform his duties as a member of the Supervisory Board. Nevertheless, it is intended that Dr. Achleitner, should he be re-elected to the Supervisory Board, will step down from the Human Resources Committee and the Nominations Committee of the Company's Supervisory Board. Beyond the membership of Dr. Achleitner on the Company's Supervisory Board, the Supervisory Board does not consider there to be any personal or business relationships between Dr. Achleitner on the one hand and the companies of the Bayer Group, the governance bodies of Bayer Aktiengesellschaft, or any stockholder that directly or indirectly holds more than 10 percent of the voting shares of Bayer Aktiengesellschaft on the other, that are of material significance to the decision of the Stockholders' Meeting regarding his election.

2) **Dr. Norbert W. Bischofberger**, Hillsborough, California, USA

President and Chief Executive Officer of Kronos Bio, Inc.

Memberships on statutory supervisory boards:

- Bayer Aktiengesellschaft (listed)

Memberships in comparable supervising bodies of German or foreign corporations:

- Morphic Holding, Inc., Waltham, Massachusetts, USA (non-executive member of the Board of Directors, listed)

In addition to his international business experience, Dr. Bischofberger supports the work of the Supervisory Board in particular through the expertise and experience he possesses in the fields

of pharmaceuticals and research and development.

The Supervisory Board has satisfied itself that Dr. Bischofberger is able to meet the expected time commitment for performing his Supervisory Board duties. Particularly, the time required for his non-executive membership in the Board of Directors of Morphic Holding, Inc., is limited and additional travel is not necessary. In 2021, Dr. Bischofberger attended all meetings of the Supervisory Board and of the committee of the Supervisory Board of which he is a member.

Dr. Bischofberger has been a member of the Company's Supervisory Board since 2017 (i.e. for one term). The Supervisory Board considers Dr. Bischofberger to be independent. Beyond the membership of Dr. Bischofberger on the Company's Supervisory Board, the Supervisory Board does not consider there to be any personal or business relationships between Dr. Bischofberger on the one hand and the companies of the Bayer Group, the governance bodies of Bayer Aktiengesellschaft, or any stockholder that directly or indirectly holds more than 10 percent of the voting shares of Bayer Aktiengesellschaft on the other, that are of material significance to the decision of the Stockholders' Meeting regarding his election.

3) **Colleen A. Goggins**, Princeton, New Jersey, USA

Independent Advisor

Memberships on statutory supervisory boards:

- Bayer Aktiengesellschaft (listed)

Memberships in comparable supervising bodies of German or foreign corporations:

- The Toronto-Dominion Bank, Toronto, Ontario, Canada (non-executive member of the Board of Directors, listed)
- IQVIA Holdings Inc., Durham, North Carolina, USA (non-executive member of the Board of Directors, listed)
- SIG Combibloc Group AG, Neuhausen am Rheinfall, Schaffhausen, Switzerland (member of the Board of Directors, listed).

In addition to her international business experience, Ms. Goggins supports the work of the Supervisory Board in particular through the expertise and experience she possesses in the fields

of health care and human resources.

The Supervisory Board has satisfied itself that Ms. Goggins is able to meet the expected time commitment for performing her Supervisory Board duties. In 2021, Ms. Goggins attended all meetings of the Supervisory Board and of the committees of the Supervisory Board of which she is a member.

Ms. Goggins has been a member of the Company's Supervisory Board since 2017 (i.e. for one term). The Supervisory Board considers Ms. Goggins to be independent. Beyond the membership of Ms. Goggins on the Company's Supervisory Board, the Supervisory Board does not consider there to be any personal or business relationships between Ms. Goggins on the one hand and the companies of the Bayer Group, the governance bodies of Bayer Aktiengesellschaft, or any stockholder that directly or indirectly holds more than 10 percent of the voting shares of Bayer Aktiengesellschaft on the other, that are of material significance to the decision of the Stockholders' Meeting regarding her election.

Further information can be found in the curricula vitae of Dr. Achleitner, Dr. Bischofberger and Ms. Goggins, which are available online at www.bayer.com/stockholders-meeting.

5. Resolution on approval of the Compensation Report

In line with the Act to Implement the Second Shareholder Rights Directive (ARUG II), Section 120a and Section 162 of the AktG have been applied for the first time. Pursuant to Section 162 of the AktG, the Board of Management and the Supervisory Board of a listed company are now required to prepare a compensation report on an annual basis. In accordance with Section 120a, Paragraph 4, Sentence 1 of the AktG, the Annual Stockholders' Meeting shall resolve on the approval of the compensation report for the past fiscal year prepared and audited in accordance with Section 162 of the AktG.

The Compensation Report for the fiscal year 2021 and the auditor's report are presented at the end of this Agenda as an annex to Agenda Item 5.

The Board of Management and the Supervisory Board propose that the Compensation Report for the fiscal year 2021 prepared and audited in accordance with Section 162 of the AktG be approved.

6. Approval of the Control and Profit and Loss Transfer Agreement between the Company and Bayer Chemicals GmbH

The Company ("**BAYER**") and Bayer Chemicals Aktiengesellschaft as the legal predecessor of Bayer Chemicals GmbH ("**BCH**") concluded a Control and Profit and Loss Transfer Agreement on November 19, 2002, which remains applicable between **BAYER** and **BCH**. Due to the change in the legal provisions applying to **BCH** and in particular for clarification of the application of Section 302 of the AktG, as amended, the parties have revised the overall Control and Profit and Loss Transfer Agreement as follows:

"§ 1

Management

- (1) **BCH** places the management of its company under the control of **BAYER**. **BAYER** is thus entitled to issue instructions to the Management of **BCH** with regard to the management of the company. The provisions of Section 308 of the AktG, as amended, shall apply with the necessary modifications.
- (2) **BAYER** shall only exercise its right to issue instructions through the Board of Management. Any instruction must be issued in writing.

§ 2 Profit transfer

- (1) **BCH** undertakes to transfer its entire profit to **BAYER**. The provisions of Section 301 of the AktG, as amended, shall apply with the necessary modifications.
- (2) **BCH** may transfer amounts from its net income for the year to other retained earnings (Section 272(3) of the German Commercial Code (HGB)) with **BAYER**'s consent to the extent that this is permissible under commercial law and is economically justified, based on prudent business judgment. Other retained earnings created during the course of the Agreement in accordance with Section 272(3) of the HGB shall be released if required by **BAYER**.
- (3) The transfer of amounts resulting from the reversal of other retained earnings in accordance with Section 272(3) of the HGB created before the commencement of this Agreement or from capital reserves is excluded.

§ 3 Assumption of losses

The provisions of Section 302 of the AktG, as amended, shall apply with the necessary modifications.

§ 4 Effective date and duration

- (1) This Agreement requires the approval of the Annual Stockholders' Meeting of **BAYER** and the General Meeting of **BCH**.
- (2) The revised Agreement shall take effect upon entry in the commercial register at the registered office of **BCH** and shall apply retroactively for the period from the start of the fiscal year in which the entry was made, except for the right to issue instructions. The right to issue instructions can only be exercised after the Agreement has been entered in the commercial register at the registered office of **BCH**. The original version of the Agreement shall apply for the period prior to the effective date of the revised Agreement.
- (3) The Agreement can be terminated by giving six months' notice of termination effective as of the end of a fiscal year, but not before the end of the fiscal year that ends at least five years after the beginning of the fiscal year in which the revised Agreement takes effect. If the Agreement is not terminated, it shall be automatically extended by one fiscal year in each case, subject to the same notice period.
- (4) The right to terminate the Agreement for good cause without compliance with any notice period is not affected. In particular, **BAYER** is entitled to terminate the Agreement for good cause if it is no longer the majority stockholder in **BCH**, or another stockholder has acquired a stake in **BCH**, or one of the cases set out in administrative order R 14.5(6) Sentence 2 of the German Corporate Tax Guidelines (KStR) of 2015 or an administrative order replacing it applies. In particular, the merger, split-off or liquidation of a party and the sale or contribution of the interest in **BCH** by its parent company represent good cause for extraordinary termination.

§ 5 Other provisions

The ineffectiveness or unenforceability of one or more provisions of this Agreement does not affect the validity of the remaining provisions.“

The revised Control and Profit and Loss Transfer Agreement is described in more detail and justified in the Joint Report by the Company's Board of Management and the Management of **BCH**.

The Board of Management and the Supervisory Board propose that the revised Control and Profit and Loss Transfer Agreement between the Company and Bayer Chemicals GmbH dated February 18, 2022 be approved.

7. Election of the auditor for the annual financial statements and of the auditor for the review of the half-year and interim financial reports, if applicable

Based on the recommendation of the Audit Committee, the Supervisory Board proposes the election of Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany, as the auditor of the annual and consolidated financial statements for 2022, and also as the auditor for the review, if applicable, of the condensed financial statements and interim management report as of June 30, 2022, and, if applicable, of the condensed financial statements and interim management reports as of September 30, 2022, and March 31, 2023, if these are prepared.

Compensation Report on the compensation of the members of the Board of Management and the members of the Supervisory Board (with foreword), including the Auditor's Report (annex to Agenda Item 5)

1. Foreword by the Chairman of the Supervisory Board

On behalf of the Supervisory Board of Bayer AG, I would like to thank you, our stockholders, for your continued support, and our employees for their tremendous dedication. The lingering effects of the COVID-19 pandemic remained evident in many areas of our lives last year. However, thanks to the successful development of effective vaccines, life returned somewhat to normal in many parts of the world. Taking the right steps and strategic decisions during 2020 provided a strong foundation to build on, and we were able to meet and in some cases exceed our targets for 2021. We are deeply proud of the dedication and solidarity shown by our employees, who met our customers' needs despite the challenges presented by COVID-19. As part of this report on the compensation of the Board of Management and the Supervisory Board in 2021, I would like to highlight some of the key events of last year.

Stricter requirements for Board of Management compensation and reporting changes due to ARUG II

The requirements that our stockholders, policymakers and the public place on how we design and disclose the compensation of our Board of Management and Supervisory Board have increased. We satisfy these requirements by employing a Board of Management compensation system that incentivizes the successful implementation of the corporate strategy and the sustainable development of the

company, and is strongly aligned toward long-term value creation for our stockholders. The compensation system was approved by an overwhelming majority (94%) at our 2020 Annual Stockholders' Meeting. This Compensation Report provides transparent, specific information on compensation for 2021.

The turn of the year 2021 brought with it a change in the framework conditions for reporting on Board of Management and Supervisory Board compensation as the act transposing the second EU Shareholder Rights Directive into German law (ARUG II) came into effect. This is the first Compensation Report we have prepared according to the new regulatory requirements of Section 162 of the German Stock Corporation Act (AktG). We have deliberately opted to provide additional information that goes beyond the requirements of Section 162 AktG to ensure we provide you with the highest degree of clarity and transparency. The Board of Management and the Supervisory Board have therefore worked together to produce a Compensation Report that is as clear and easy to understand as possible, while observing all the regulatory requirements of Section 162 of the AktG.

Business performance and Board of Management compensation in 2021

As a leading life science company, Bayer is active in the fields of health and nutrition, and offers attractive, long-term growth, earnings and cash flow potential. Our strategy is geared toward successfully building and operating leading businesses in these fields of expertise.

The compensation system for the Board of Management is aligned toward the long-term development of our company. The key performance indicators included in the variable compensation components to evaluate the performance of Board of Management members are in close alignment with our strategy and the targets communicated to our stockholders. This ensures that our company offers the right financial incentives, while also establishing a clear link between the performance of the Board of Management and its compensation.

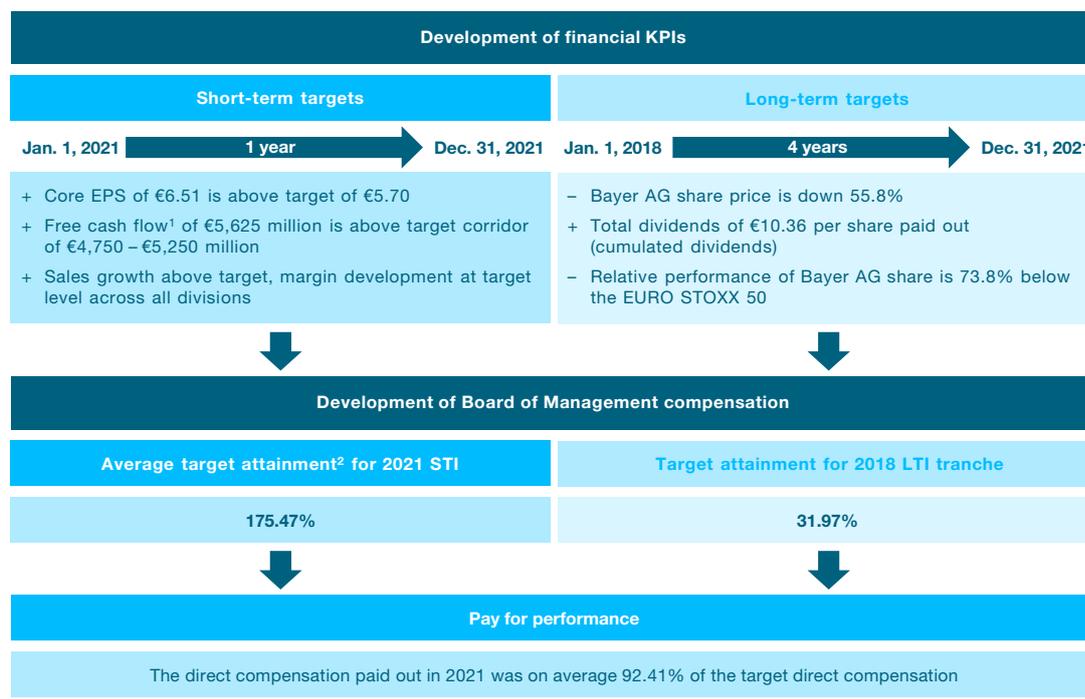
Board of Management Compensation System – Overview

Base salary	// Fixed								
Short-term incentive (STI)	<div style="background-color: #00a0e3; color: white; padding: 5px; text-align: center;">1-year performance period (cap: 200%)</div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center; border: 1px solid #ccc;">1/3</td> <td style="width: 33%; text-align: center; border: 1px solid #ccc;">1/3</td> <td style="width: 33%; text-align: center; border: 1px solid #ccc;">1/3</td> <td rowspan="2" style="vertical-align: middle; text-align: center;"> <div style="border: 1px solid #ccc; padding: 5px; background-color: #d3d3d3;"> Individual performance/non-financial targets (0.8 – 1.2) </div> </td> </tr> <tr> <td style="background-color: #00a0e3; color: white; text-align: center;">Core EPS (Group level)</td> <td style="background-color: #00a0e3; color: white; text-align: center;">Free cash flow (Group level)</td> <td style="background-color: #00a0e3; color: white; text-align: center;">cEBITDA margin / Fx & p adj. sales growth (divisional level)</td> </tr> </table>	1/3	1/3	1/3	<div style="border: 1px solid #ccc; padding: 5px; background-color: #d3d3d3;"> Individual performance/non-financial targets (0.8 – 1.2) </div>	Core EPS (Group level)	Free cash flow (Group level)	cEBITDA margin / Fx & p adj. sales growth (divisional level)	
1/3	1/3	1/3	<div style="border: 1px solid #ccc; padding: 5px; background-color: #d3d3d3;"> Individual performance/non-financial targets (0.8 – 1.2) </div>						
Core EPS (Group level)	Free cash flow (Group level)	cEBITDA margin / Fx & p adj. sales growth (divisional level)							
Long-term incentive (LTI) Aspire 3.0	<div style="background-color: #0056b3; color: white; padding: 5px; text-align: center;">4-year performance period (cap: 250%)</div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center; border: 1px solid #ccc;">40%</td> <td style="width: 33%; text-align: center; border: 1px solid #ccc;">40%</td> <td style="width: 33%; text-align: center; border: 1px solid #ccc;">20%</td> <td rowspan="2" style="vertical-align: middle; text-align: center;"> <div style="border: 1px solid #ccc; padding: 5px; background-color: #d3d3d3;"> Absolute share price development </div> </td> <td rowspan="2" style="vertical-align: middle; text-align: center;"> <div style="border: 1px solid #ccc; padding: 5px; background-color: #d3d3d3;"> Dividend equivalent </div> </td> </tr> <tr> <td style="background-color: #0056b3; color: white; text-align: center;">Relative TSR¹</td> <td style="background-color: #0056b3; color: white; text-align: center;">ROCE (Group level)</td> <td style="background-color: #0056b3; color: white; text-align: center;">Sustainability goals (Group level)</td> </tr> </table>	40%	40%	20%	<div style="border: 1px solid #ccc; padding: 5px; background-color: #d3d3d3;"> Absolute share price development </div>	<div style="border: 1px solid #ccc; padding: 5px; background-color: #d3d3d3;"> Dividend equivalent </div>	Relative TSR ¹	ROCE (Group level)	Sustainability goals (Group level)
40%	40%	20%	<div style="border: 1px solid #ccc; padding: 5px; background-color: #d3d3d3;"> Absolute share price development </div>	<div style="border: 1px solid #ccc; padding: 5px; background-color: #d3d3d3;"> Dividend equivalent </div>					
Relative TSR ¹	ROCE (Group level)	Sustainability goals (Group level)							
Pension plan²	// Since 2020, new hires receive a pension installment corresponding to 40% of their monthly base salary.								
Share Ownership Guidelines	// CEO: 200% of base salary // Other Board of Management members: 100% of base salary // Shares retained for duration of service on Board of Management plus additional two years								
Maximum total annual compensation pursuant to Section 87a AktG is set at €12m for the CEO and €7.5m for all other Board of Management members									

¹ Total shareholder return of the Bayer share; comparison with EURO STOXX 50 TR

² Change to pension plan does not apply to existing service contracts, in line with the Shareholder Rights Directive and the German Corporate Governance Code.

Development of Financial KPIs and Board of Management Compensation



¹ Free cash flow excluding payments made in connection with the settlement agreements concluded in the glyphosate, dicamba, PCB and Essure™ litigations (significant nonrecurring extraordinary effects)

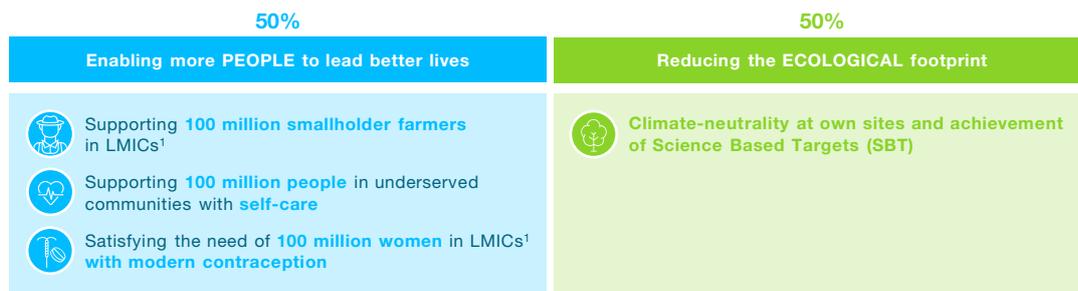
² Average target attainment among Board of Management members

Additional considerations to the Supervisory Board’s approach to Board of Management compensation

Sustainability and ESG (ESG = environmental, social and governance) are an integral part of our business strategy and our growth plans. The Supervisory Board supports the Board of Management's strategy of setting ambitious and measurable sustainability targets. Bayer strives to improve people's quality of life by promoting growth in underserved regions while at the same time reducing the ecological footprint through the sustainable use of resources. Our initiatives in this area are supported by the Sustainability Council, a body of qualified experts that we established in 2020, as well as by an ESG Committee of the Supervisory Board that was formed at the beginning of 2022 and is chaired by Ertharin Cousin. Furthermore, the compensation system approved by a large majority at the 2020 Annual Stockholders' Meeting has applied for the members of the Board of Management since January 1, 2020. The Supervisory Board has incorporated specific, measurable and transparent sustainability targets (ESG targets) into the Aspire 3.0 tranche issued in 2021 as part of the long-term variable cash compensation. This illustrates how we are taking steps to deliver on our Group-wide sustainability targets, such as pursuing our vision “Health for all, hunger for none,” reducing our ecological footprint along the value chain and becoming carbon-neutral in our operations by 2030, by targeting measurable results and adopting clear commitments.

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Sustainability Targets Through 2030



¹ LMICs = low- and middle-income countries

With a further 10 companies joining the DAX and taking its size to 40 in total, the Supervisory Board conducted an extensive review of the compensation philosophy it followed when establishing the compensation levels of the Board of Management, and adjusted target compensation accordingly. In the future, the DAX 40 companies will be applied as a benchmark in the horizontal comparison when setting compensation levels. An international comparison market comprising selected competitors will

also be taken into account, ensuring the company offers a compensation package that is in line with the market and at the same time competitive.

To align the Board of Management compensation structure even more closely with the company's long-term performance, the Supervisory Board also decided to recalibrate the variable compensation of all Board of Management members in favor of long-term variable cash compensation with effect from January 1, 2022. Effective January 1, 2022, the target amounts in the long-term variable cash compensation of all Board of Management members were raised from 150% to 160% of base compensation, and the target amounts in their short-term variable cash compensation were reduced by the same amount, from 100% to 90% of base compensation.

Annual Stockholders' Meeting resolution on Supervisory Board compensation

Compensation levels for members of Bayer's Supervisory Board were adjusted by the 2017 Annual Stockholders' Meeting, with these adjustments having formed part of a compensation system that remained largely unchanged compared with the previous iteration. The 2020 Annual Stockholders' Meeting confirmed the compensation of the Supervisory Board members as set forth in Article 12 of the Articles of Incorporation. The compensation of the members of the Supervisory Board is regularly reviewed. A review performed at the beginning of 2021 with the assistance of an independent external compensation expert showed that the Supervisory Board's compensation at that time no longer reflected market practice and the demands made on the members of Bayer AG's Supervisory Board. In addition, the international market and business environment as well as the regulatory framework had become more complex since the compensation of the Supervisory Board was last adjusted in 2017. As such, the demands and expectations on the members of the Supervisory Board had increased. The compensation of the Supervisory Board needs to be competitive to ensure that the Supervisory Board is composed of well qualified, internationally experienced corporate officers. This is a priority communicated by many investors.

It was therefore proposed to the Annual Stockholders' Meeting on April 27, 2021, that the compensation of the Supervisory Board be adjusted with effect from April 28, 2021. The 2021 Annual Stockholders' Meeting approved the resolution to adjust the compensation of the Supervisory Board by a significant majority of 97.8%. Article 12 of the Articles of Incorporation of Bayer AG was amended accordingly.

2. Compensation Report

The Compensation Report produced by the Board of Management and the Supervisory Board of Bayer Aktiengesellschaft (Bayer AG) outlines the essential features of the compensation packages for the members of the Board of Management and the Supervisory Board of Bayer AG and provides information on the compensation awarded and due to each current or former member of the Board of Management and the Supervisory Board in 2021. Awarded compensation encompasses compensation for services that have been fully rendered once the fiscal year ends. The report thus complies with the regulatory requirements of Section 162 of the German Stock Corporation Act (AktG) and the recommendations and suggestions in the December 16, 2019, version of the German Corporate Governance Code. The Guidelines for Sustainable Management Board Remuneration Systems, which was most recently updated in September 2021, are also taken into account.

Pursuant to the stipulations of Section 120a, Paragraph 4 of the AktG, we will propose that the Annual Stockholders' Meeting to be held on April 29, 2022, resolve on the approval of the prepared and audited Compensation Report.

2.1 Principles applied for Board of Management compensation

The Supervisory Board sets the Board of Management's compensation pursuant to Section 87, Paragraph 1 of the AktG. In doing so, the Supervisory Board is supported by its Human Resources Committee, which develops recommendations for the compensation of the Board of Management that are discussed and resolved upon by the full Supervisory Board. The Supervisory Board may seek advice from external consultants, with care being taken to ensure their independence.

The current compensation system for the Board of Management of Bayer AG applies in the version approved by a large majority (94.02%) at the Annual Stockholders' Meeting on April 28, 2020. The compensation system is submitted to the Annual Stockholders' Meeting for approval whenever significant changes are made to this system, or at least every four years.

Objectives of the compensation system

The compensation system incentivizes the successful implementation of the corporate strategy and the sustainable development of the company, and is strongly aligned toward long-term value creation for our stockholders.

The objectives of Bayer AG are to achieve sustainable business success and profitable growth. The aim is to continuously increase value for our stockholders and other stakeholders and ensure the continuity of our company for the long term. 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 attainment of ambitious sustainability targets (ESG targets) also forms part of the compensation system. By acting sustainably, we are safeguarding our future social and economic viability.

In designing the compensation system for the Board of Management, the Supervisory Board endeavors to align it as closely as possible with the compensation system for senior managers below Board of Management level, and thus to ensure that the same performance indicators and targets are set. This is the only way to ensure that all decision-makers pursue the same goals for the company's successful development.

In establishing the compensation of the Board of Management, the Supervisory Board applies the following guidelines and principles:

C 2.1/1

We ensure ...	We avoid ...
<ul style="list-style-type: none"> ✓ ... that we promote long-term and sustainable performance ✓ ... that we set ambitious and measurable targets ✓ ... that compensation is aligned toward performance and success ✓ ... that short-term variable compensation is aligned toward the attainment of annual targets ✓ ... that long-term variable compensation is aligned toward share price performance, return on investment and attainment of ESG targets ✓ ... that we take regulatory requirements fully into account ✓ ... that we offer appropriate compensation in line with market rates ✓ ... that compensation is capped ✓ ... that we are highly transparent in our compensation reporting ✓ ... that we set measurable and transparent ESG targets 	<ul style="list-style-type: none"> ✗ ... prioritizing short-term success at the expense of long-term performance ✗ ... offering guaranteed variable compensation levels ✗ ... paying special discretionary bonuses ✗ ... neglecting the interests of our stockholders ✗ ... incentivizing inappropriate risks ✗ ... inappropriately high payouts and excessive severance payments ✗ ... retrospectively adjusting targets ✗ ... providing insufficient transparency in our compensation reporting ✗ ... overlapping STI and LTI targets ✗ ... setting ESG targets that can't be measured

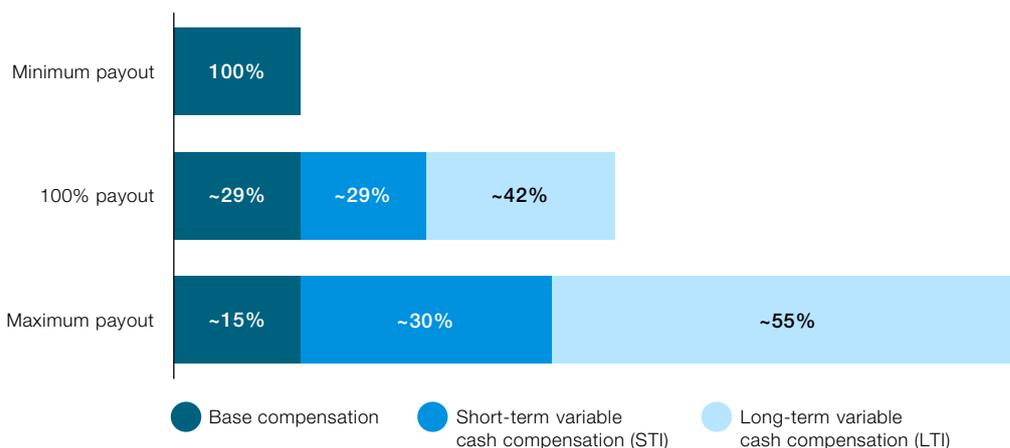
Design of Board of Management compensation

The total compensation of the members of the Board of Management of Bayer AG comprises fixed and variable components. In addition to base compensation, the fixed, non-performance-related compensation also includes fringe benefits along with pension entitlements or a pension installment.

The variable, performance-related cash compensation components are the short-term incentive (STI) and the long-term incentive (LTI). Before the start of each fiscal year, the Supervisory Board sets appropriate, ambitious targets for the variable compensation components that aim to ensure the long-term implementation of the corporate strategy. The degree to which these targets are attained determines the level of the payouts.

C 2.1/2

Design of Board of Management compensation



Scenario ¹	Explanation
Minimum payout	STI: 0% of target amount; LTI: 0% of target amount
100% payout	STI: 100% of target amount; LTI: 100% of target amount
Maximum payout	STI: 200% of target amount; LTI: 250% of target amount

¹ In isolated cases, the specific, individual compensation structure in a fiscal year may deviate slightly from the structure presented above.

Total compensation also includes fringe benefits, which are usually granted in a ratio of about 5% to the respective base compensation. The pension installment equals 40% of the respective base compensation and is awarded to Board of Management members appointed after January 1, 2020.

Total compensation is capped for each member of the Board of Management (maximum total compensation).

In addition to the compensation components mentioned above, malus and clawback provisions and Share Ownership Guidelines are also in place. There are also regulations in place to determine whether payments are made in the event of early termination of service on the Board of Management, and if so, in what amount.

An overview of the compensation system for the Board of Management is given below (see also www.bayer.com/cpr for a detailed description of the compensation system).

C 2.1/3

Board of Management Compensation System for 2021

Compensation component	Design
Base compensation	// Fixed, contractually agreed compensation // Paid out in monthly installments
Fringe benefits	// Regular health screening // Insurance policies // Company car with driver // Security installations at private residence // Reimbursement of work-related moving expenses // Indemnity payments to new members of the Board of Management for variable compensation forfeited on termination of previous employment
Short-term variable cash compensation (STI)	The payout after one year is calculated based on the target amount according to the following parameters: // 1/3 weighting: Core EPS at Group level // 1/3 weighting: Free cash flow at Group level // 1/3 weighting: Matrix for clean EBITDA margin vs. sales growth (Fx & p adj. ¹) at divisional level // Individual performance factor (0.8 – 1.2) as a multiplier // Payout capped at 200% of individual target amount
Long-term variable cash compensation (LTI)	The payout is calculated based on the target amount after determining target attainment in the fourth year according to the following parameters: // Absolute performance of Bayer stock // 40% weighting: Performance relative to EURO STOXX 50 Total Return // 40% weighting: ROCE at Group level // 20% weighting: Sustainability targets plus dividends paid by Bayer Aktiengesellschaft over the four-year period for each virtual share conditionally allocated at the beginning of the tranche // Payout capped at 250% of individual target amount
Pension entitlements/installment	// Members of the Board of Management newly appointed after January 1, 2020, receive an earmarked pension installment calculated as a percentage of their base compensation and paid out directly in a lump sum // Members of the Board of Management appointed prior to January 1, 2020, receive contribution-based pension entitlements
Maximum total compensation	// The maximum total annual compensation paid out for a fiscal year is €12 million for the Chairman of the Board of Management and €7.5 million for the other Board of Management members
Malus and clawback	// In the event of gross misconduct or misrepresentation in financial reporting, the Supervisory Board can withhold all or part of the STI and LTI (malus) or require their repayment to the company (clawback)
Share Ownership Guidelines	// Pledge to build a certain position size in Bayer stock by the end of a four-year period // Obligation to retain the shares throughout the period of service on the Board of Management and for two years thereafter
Contract termination	// If the service contract is terminated early – other than for cause – at the company's instigation, a severance payment of up to twice the annual compensation may be made, but this is limited to the compensation for the remaining term of the respective contract // Two-year post-contractual noncompete agreement; indemnity payment in the amount of base compensation, any severance payments are deducted from the indemnity payment
Change of control	// In the event of a change of control, members of the Board of Management are – if certain narrow conditions are met – entitled to a severance payment of 250% of annual base compensation, or 200% of annual cash compensation if they were appointed prior to 2010. The payment is limited in either case to the compensation for the remaining term of the respective contract, capped at twice the annual compensation.

¹ Fx & p adj. = currency- and portfolio-adjusted

Caps on variable compensation components and total compensation

Performance evaluation for both of the variable compensation components is fundamentally oriented toward profitability, value creation and sustainability. The Supervisory Board sets ambitious targets for the variable compensation while at the same time ensuring a balanced opportunity-and-risk profile. The variable compensation can fall to as low as zero if targets are not attained. If targets are clearly exceeded, the payout is limited to 200% (STI cap) or 250% (LTI cap) of the individual target amount.

The Supervisory Board has set an absolute amount in euros for the maximum total compensation granted in a fiscal year pursuant to Section 87a, Paragraph 1, Sentence 2, No.1 of the German Stock Corporation Act. The maximum total annual compensation is €12 million for the Chairman of the Board of Management and €7.5 million for the other members of the Board of Management.

The maximum total compensation for a fiscal year includes all fixed and variable compensation components:

- Base compensation
- Fringe benefits
- Short-term variable cash compensation (STI)
- Long-term variable cash compensation (LTI)
- Pension installment or service cost according to IFRS for pension entitlement.

Compliance with the specified thresholds for the maximum total compensation of Board of Management members cannot be reported on conclusively until all compensation components granted for a given fiscal year have been paid out. This means that for fiscal 2021, this can only be reported on after expiration of the four-year performance period for the 2021 tranche of the LTI, which ends on December 31, 2024. Compensation affected by this cap will only be paid out up to this maximum threshold. Any compensation that exceeds this threshold becomes null and void.

Setting compensation levels

The Supervisory Board regularly reviews the individual compensation levels on the basis of the compensation system. This annual review takes into account the company's economic position, the overall market development and the development of compensation within the Bayer Group. The Supervisory Board places importance on ensuring the Board of Management members receive an appropriate level of compensation in the competitive environment. To review the appropriateness of compensation, the Human Resources Committee prepares a horizontal and a vertical comparison of compensation and, if necessary, is supported in this task by an external, independent compensation consultant.

Horizontal appropriateness in this context involves taking into account the levels of management board compensation at comparable companies in Germany and international companies from the same industry. Vertical appropriateness in this context means taking into account the compensation structures within the Bayer Group and, in particular, how they have developed over time.

Horizontal comparison

The DAX 30 companies (excluding financial service providers) were previously taken as a guide when setting compensation levels. Since the reform of the DAX on September 20, 2021, the benchmark applied now encompasses all DAX 40 companies, as well as international competitors that are comparable in terms of size and industry. The Supervisory Board aims to offer Board of Management members a compensation package that is in line with market rates and at the same time competitive while remaining within the regulatory framework.

The DAX companies are a suitable primary comparison group, especially in terms of the aspects of size and country. Bayer's economic position is factored in by regularly reviewing the company's relative positioning in the DAX in terms of size. On this basis, Bayer aims to ensure its relative positioning within the DAX is in the top third in terms of total compensation. Reviewing compensation levels annually and taking into account size criteria over time ensures that the compensation the members of the Board of Management of Bayer AG receive appropriately reflects the company's positioning.

The international comparison group is taken into account as an additional indicator to validate the competitiveness of Board of Management compensation on an international level, too. In 2021, the international comparison group comprised the following companies:

C 2.1/4			
International Comparison Group for Board of Management Compensation			
// AstraZeneca	// BASF	// Bristol Myers Squibb	// Corteva
// FMC Corp	// GlaxoSmithKline	// Johnson & Johnson	// Merck & Co.
// Novartis	// Novo Nordisk	// Nutrien	// Pfizer
// Reckitt Benckiser	// Roche	// Sanofi	// Takeda

Vertical comparison

In setting Board of Management compensation, the Supervisory Board also undertakes a vertical comparison against the company's internal compensation structure and looks at the relation between Board of Management compensation and that of the first management level below the Board of

Management, managerial employees up to the second management level below the Board of Management, the workforce and nonmanagerial employees in Germany. Here, the Supervisory Board compares the average target direct compensation of the Group's Board of Management with the average target direct compensation of various management levels and the workforce as a whole. Both the current ratios and the changes in ratios over time are taken into account.

Findings of the compensation review in 2021

To ensure that the members of the Board of Management of Bayer AG receive a compensation package within the regulatory framework that is in line with the market and at the same time competitive, compensation levels are reviewed annually and adjusted where appropriate, while also taking into account size criteria over time.

As part of the most recent review, the Supervisory Board decided to recalibrate the target amounts of the variable compensation elements that form part of the compensation structure established in the compensation system in favor of long-term variable cash compensation. This aligns the Board of Management compensation structure even more closely with the company's long-term performance and the development of its share price, thus ensuring greater orientation toward the interests of our stockholders. Effective January 1, 2022, the target amounts for the long-term variable cash compensation of all members of the Board of Management were increased from 150% to 160% of base compensation, and the target amounts for short-term variable cash compensation were reduced from 100% to 90% of base compensation.

2.2 Compensation components in detail

Fixed compensation

The fixed compensation guarantees the members of the Board of Management an appropriate income while also aiming to avoid undue risks for the company.

Base compensation

The base compensation is fixed, contractually agreed annual compensation that is paid out in monthly installments within a calendar year. The level of fixed compensation reflects the role on the Board of Management, experience, area of responsibility and market conditions.

Fringe benefits

Fringe benefits include costs assumed by the company for health screening and various insurance policies. A budget is also available to each member of the Board of Management for a company car, including driver, for business and a reasonable amount of private use. In addition, the company pays the cost of security installations at each member's private residence. Work-related moving expenses are either individually reimbursed or compensated in the form of a flat-rate allowance. Any indemnity payments to new members of the Board of Management for variable compensation forfeited on termination of previous employment also constitute fringe benefits.

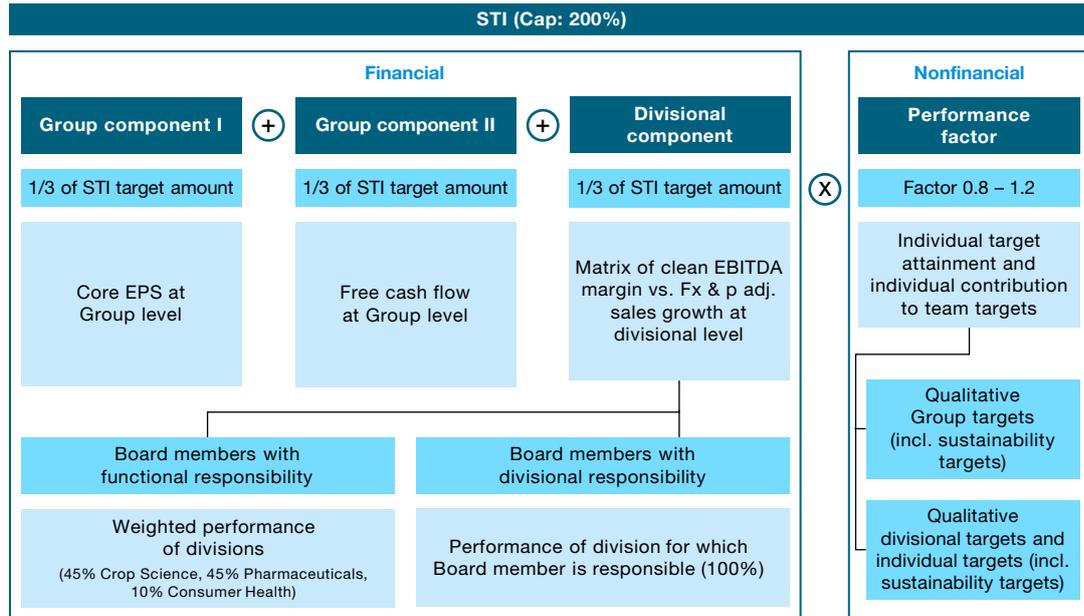
Variable cash compensation

The design of the variable compensation components and the established performance criteria are in complete conformity with the Board of Management compensation system that was approved by the 2020 Annual Stockholders' Meeting.

Short-term variable cash compensation (STI)

The short-term variable cash compensation depends on the success of the business in the respective year. It incentivizes operational success and profitable growth within the established strategic framework. It also focuses on sustainable cash flow (free cash flow) development. In addition, the individual performance of the members of the Board of Management is evaluated using a performance factor that permits the establishment of further targets, particularly nonfinancial ones. The STI target value amounts to 100% of base compensation (from 2022: 90% of base compensation). The level of the STI payout is based on each member's contractually agreed individual target amount, the target attainment for the three financial components, and the individual performance factor. Depending on the company's success, the target attainment for the three equally weighted financial components may vary between 0% and 200%. The components of the short-term variable cash compensation are shown in the graphic below.

Components of Short-Term Variable Cash Compensation (STI)

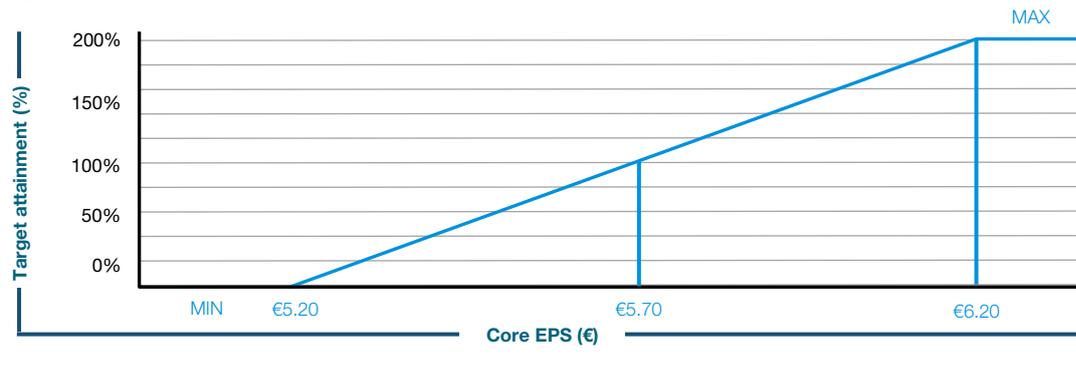


Group component I

Group component I is derived from core earnings per share (core EPS) at Group level, which forms the basis of our dividend policy. Using core EPS for this component therefore provides specific incentives to raise profitability in the Bayer Group and at the same time encourages value creation for our stockholders. At the start of each fiscal year, the Supervisory Board sets a minimum value, a target value and a maximum value for core EPS (“benchmarks”). The target value is based on Bayer’s operational planning for the respective fiscal year. However, the Supervisory Board determines whether it is sufficiently ambitious and adjusts it if necessary. At the end of each year, the core EPS achieved is compared against the target value previously set for that year. If the target value has been achieved, target attainment is 100%. If the target attainment is above or below the target value, the target attainment corresponds to a target function within an interval of 0% to 200%.

The graphic below shows the minimum value, target value and maximum value for core EPS in 2021:

C 2.2/2

Payout Curve for Core EPS

For fiscal 2021, the core EPS target for Group component I was set at €5.70 at the start of the year at the closing rates as of December 31, 2020 (corresponding to €6.20 at the average exchange rates in 2020). Actual core EPS came in at €6.51, corresponding to a target attainment level of 200%.

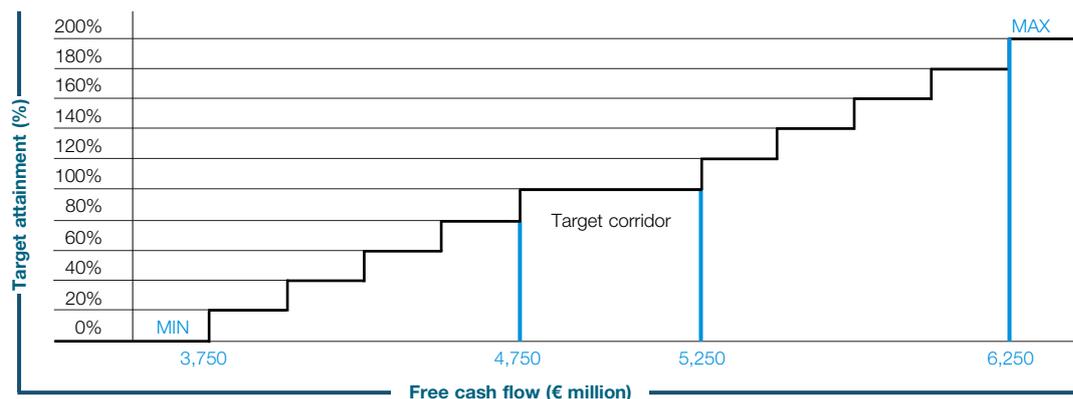
Group component II

Group component II is determined by the free cash flow at Group level. Using the free cash flow to calculate this component incentivizes an increase in the cash flow available for paying dividends, reducing debt and making acquisitions, and ensures the Bayer Group's liquidity.

At the start of each fiscal year, the Supervisory Board sets a minimum value, a target corridor, a maximum value and additional benchmarks for the free cash flow. The target corridor is based on Bayer's operational planning for the respective fiscal year. The Supervisory Board determines whether this corridor is sufficiently ambitious, too, and adjusts it if necessary. The payments in connection with the settlement agreements reached in the glyphosate, dicamba, PCB and Essure™ litigations constituted significant nonrecurring extraordinary effects and were not taken into account. They therefore had no impact on target attainment. At the end of each year, the free cash flow achieved is compared against the target corridor previously set for that year. If the target attainment is above or below the target corridor, the target attainment corresponds to the target function within an interval of 0% to 200%.

The graphic below shows the minimum value, target corridor and maximum value for free cash flow in 2021:

C 2.2/3

Payout Curve for Free Cash Flow

For fiscal 2021, the target corridor set for Group component II at the start of the year was €4.75 billion to €5.25 billion.

In accordance with the Board of Management compensation system approved by the 2020 Annual Stockholders' Meeting, the Supervisory Board has the discretion to adjust the free cash flow for significant unplanned and nonrecurring extraordinary effects for which no allowance could be made, or that could only be allowed for differently, when the target was set, and that are considered irrelevant to performance with respect to the STI.

Disregarding the settlement payments mentioned above, free cash flow came in at €5,625 million, corresponding to a target attainment level of 140%.

Divisional component

This component is calculated for each division by setting the EBITDA margin before special items against currency- and portfolio-adjusted sales growth in a matrix. Members of the Board of Management with divisional responsibility are assessed solely based on the respective division's performance, while those with functional responsibility are assessed based on the weighted average performance of all divisions. This average performance is determined using the following weightings: 45% Crop Science, 45% Pharmaceuticals and 10% Consumer Health. This matrix serves to specifically incentivize profitable growth in each division. Growth should only be generated while maintaining profitability, and raising profitability in the short term should not be incentivized at the expense of growth. At the start of each fiscal year, the Supervisory Board sets a minimum value, a target value and a maximum value for each division's EBITDA margin before special items and for currency- and portfolio-adjusted sales growth.

The target matrix is based on the operational planning of the divisions for the respective fiscal year. However, the Supervisory Board determines whether it is sufficiently ambitious and adjusts it if necessary. At the end of each year, the EBITDA margin before special items and the currency- and portfolio-adjusted sales growth achieved are compared to the target matrix previously set for that year. Failure to meet one of the two minimum values results in a target attainment level of 0% for the divisional component. Target attainment levels above 100% can occur if, for example, one target value is met and the other is exceeded, or if both target values are exceeded.

C 2.2/4

STI Payout Matrix for the 2021 Financial Targets of the Divisions

				EBITDA margin before special items					
				Minimum value		Target value		Maximum value	
				CS	21.3%	...	22.3%	...	24.3%
				PH	30.6%	...	31.6%	...	33.6%
				CH	21.5%	...	22.5%	...	24.5%
		CS	PH	CH					
	Minimum value	-0.7%	+0.4%	+0.9%	0%	...	50%	...	150%

Sales growth (Fx & p. adj.)	Target value	+1.8%	+2.9%	+3.4%	50%	...	100%	...	200%

	Maximum value	+6.8%	+7.9%	+8.4%	150%	...	200%	...	200%

Fx & p. adj. = currency- and portfolio-adjusted; CS = Crop Science; PH = Pharmaceuticals; CH = Consumer Health

The currency- and portfolio-adjusted sales growth and EBITDA margin before special items achieved by the divisions in 2021 were as follows:

Crop Science

- Sales growth vs. 2020 (Fx & portfolio adj.): Actual figure: + 11.0%²
- EBITDA margin before special items: Actual figure: 23.2%
- Overall target attainment therefore amounted to 200.0% (maximum level).

Pharmaceuticals

- Sales growth vs. 2020 (Fx & portfolio adj.): Actual figure: + 7.3%²
- EBITDA margin before special items: Actual figure: 31.5%
- Overall target attainment therefore amounted to 176.0%.

Consumer Health

- Sales growth vs. 2020 (Fx & portfolio adj.): Actual figure: + 5.7%²
- EBITDA margin before special items: Actual figure: 22.5%

- Overall target attainment therefore amounted to 139.1%.

² Due to the hyperinflation-related growth in Argentina, currency- and portfolio-adjusted sales growth was adjusted by minus 0.1 percentage points for Crop Science and Pharmaceuticals, and by minus 0.8 percentage points for Consumer Health.

This resulted in a target attainment level of 183.1% for Board of Management members with functional responsibility.

Performance factor

The individual performance of each member of the Board of Management is evaluated by assessing the extent to which the individual performance targets agreed with him or her at the start of the year have been attained while taking into account the member's personal contributions to the achievement of the Board of Management's team targets. The attainment of the nonfinancial targets, such as innovation progress or safety, compliance and sustainability goals, is also taken into account. The multiplier applied to the attainment of the financial targets can range from 0.8 and 1.2 for each individual Board of Management member.

In addition, team targets are agreed to reflect the collective responsibility of the members of the Board of Management as a governance body. The team targets are based on the Group targets set by the Board of Management for 2021 and approved by the Supervisory Board. The following table provides an overview of the subject areas. For 2021, the team targets were achieved and in many cases surpassed.

C 2.2/5

Team Targets for 2021**Subject area**

Alignment against growth markets	<ul style="list-style-type: none"> // Consumer Health: Grow market share ahead of multinational peers, and sustain growth in North America and EMEA // Crop Science: Grow sales in line with market, stabilize soybeans business and defend core businesses // Pharmaceuticals: Maximize business performance before loss of exclusivity, and launch late-stage pipeline
Innovation powered by science	<ul style="list-style-type: none"> // Consumer Health: Further develop and deliver value from enhanced innovation pipeline // Crop Science: Drive core innovation projects, and develop new and substantial value pools // Pharmaceuticals: Reinvigorate innovation model, and manage change in Research & Development (R&D) leadership // Leaps by Bayer: Drive breakthrough innovation by leveraging new scientific insights and technologies with Leaps
Excellence in execution	<ul style="list-style-type: none"> // Consumer Health: Continue to deliver execution excellence through Fit to Win (FTW) 2.0, and accelerate global digital agenda // Crop Science: Increase resilience and agility, and accelerate integration synergies // Pharmaceuticals: Implement True North strategy and successfully re-enter North American market // Enabling Functions: Advance major projects in Production and IT; intensify Investor Relations output, and resolve glyphosate litigations
Commitment to sustainability	<ul style="list-style-type: none"> // Further drive implementation of sustainability strategy in divisions and enabling functions // Accelerate progress on sustainability ambitions // Drive sustainability communication and engagement, and improve reputation (internally and externally)
Advance inclusion and diversity; employee development	<ul style="list-style-type: none"> // Advance inclusion and diversity and fully integrate into talent and development // Upskill workforce to enable digital transformation // Enhance employee experience and simplify processes to accelerate decision-making

In accordance with a resolution of the Human Resources Committee and the Supervisory Board, all members of the Board of Management are also set individual targets tailored to their respective areas of responsibility. Target attainment is individually evaluated following the end of the fiscal year. The following table provides an overview of the individual performance targets agreed upon for 2021 and the attainment thereof.

Individual Targets Agreed for 2021 and Attainment Levels

Board of Management member	Subject areas for individual targets	Target attainment – team and individual targets
Werner Baumann	// Implement sustainability strategy // Defend the glyphosate litigations // Implement the Bayer 2022+ project // Ensure effective stockholder engagement	104%
Liam Condon	// Integrate sustainability strategy in the division's strategy // Implement key innovation projects // Develop digital business processes // Increase business growth and sales	100%
Sarena Lin (since February 1st, 2021)	// Upskill employees to keep pace with the digital transformation // Promote inclusion and diversity and fully integrate into talent development // Grow into role of Labor Director // Onboarding in the newly formed Board position for Talent, Strategy and Business Consulting	95%
Wolfgang Nickl	// Steer operations to attain financial KPIs // Further define and implement Bayer 2022+ project // Drive forward digitalization // Pursue the platform philosophy in the enabling functions	104%
Stefan Oelrich	// Further implement the goals of the "True North Now" strategy // Integrate sustainability strategy in the division's strategy // Launch new products // Drive forward the innovation and research model	100%
Heiko Schipper	// Strengthen the portfolio // Further implement the "Fit to Win" program // Integrate sustainability strategy in the division's strategy // Accelerate digitalization	108%

The attainment of the individual targets and the team targets is assessed by the Human Resources Committee and the Supervisory Board following the end of the fiscal year.

Payment of the short-term variable compensation (STI)

The STI is paid out on the earliest possible date of the following year and is calculated as follows for 2021:

Short-Term Variable Compensation in 2021 at a Glance

	Target amount (€) ¹	Target attainment				Total	Payout amount (€)
		Group component I	Group component II	Divisional component	Individual performance factor ²		
Werner Baumann	1,775,000			183.1%	1.04	181.3%	3,218,075
Liam Condon	964,300			200.0%	1.00	180.0%	1,735,740
Sarena Lin (since Feb. 1, 2021)	825,000	200.0%	140.0%	183.1%	0.95	165.6%	1,366,200
Wolfgang Nickl	900,000			183.1%	1.04	181.3%	1,631,700
Stefan Oelrich	930,000			176.0%	1.00	172.0%	1,599,600
Heiko Schipper	900,000			139.1%	1.08	172.5%	1,552,500

¹ The STI target amount was only reduced for Sarena Lin on a pro rata temporis basis as she joined the Board of Management during the year.

² The individual performance factor for Liam Condon was determined as part of his termination agreement, as per the terms contained therein.

Long-term stock-based cash compensation (LTI)

Members of the Board of Management are eligible to participate in the annual tranches of the long-term stock-based compensation program Aspire on the condition that they purchase a certain number of Bayer shares – determined for each individual according to specific rules – as a personal investment and hold them until two years after their term of service ends.

Aspire 2.0 tranches issued each year until 2019

The LTI target values for the Aspire 2.0 tranches issued each year until 2019 are generally based on a contractually agreed target rate of 150% of base compensation. The starting value is also multiplied by the individual STI payout factor for the Board of Management member concerned for the year prior to the issuance of the respective tranche.

*LTI target value = 150% * base compensation * STI payout factor prior to issuance of the tranche*

The LTI payout after four years corresponds to the LTI target value, adjusted to reflect the development of Bayer's share price and its performance relative to the EURO STOXX 50 along with the dividends paid in the meantime based on the virtually acquired number of shares (total shareholder return approach):

$$LTI \text{ payout} = LTI \text{ target value} * \frac{\text{Average share price on the last 30 trading days prior to expiration of the tranche}}{\text{Average share price on the last 30 trading days prior to issuance of the tranche}} * \frac{\text{Performance relative to EURO STOXX 50}}{\text{EURO STOXX 50}} + \text{Total dividend equivalents}$$

For the Board of Management, an additional performance measure is included in the form of the comparison with the EURO STOXX 50. This increases or decreases the payout by the percentage of overperformance or underperformance, respectively, but by no more than 50% either way.

If a member of the Board of Management enters retirement during the year or steps down from the Board of Management during the year due to the nonextension of his or her service contract, the Aspire tranche allocated for that year is reduced on a prorated basis according to the duration of the member's active service on the Board of Management during this first year of the tranche. In this case, tranches allocated for previous years continue unchanged.

The following table provides an overview of target attainment levels for the 2018 and 2017 Aspire 2.0 tranches (expired in 2021 and 2020, respectively) including the starting and final values for Bayer stock and the EURO STOXX 50, which are the average prices/values on the 30 trading days preceding the respective reference date:

C 2.2/8		
Aspire Payout Percentages		
	2017 tranche	2018 tranche
Bayer stock starting price ¹	€91.92	€104.91
Bayer stock final price	€47.99	€46.37
Bayer stock performance	- 47.79%	- 55.80%
EURO STOXX 50 starting value	3,156.0	3,566.8
EURO STOXX 50 final value	3,520.5	4,207.8
EURO STOXX 50 performance	+ 11.55%	+ 17.97%
Dividend equivalent	€11.02	€10.36
Payout percentage	38.09%	31.97%

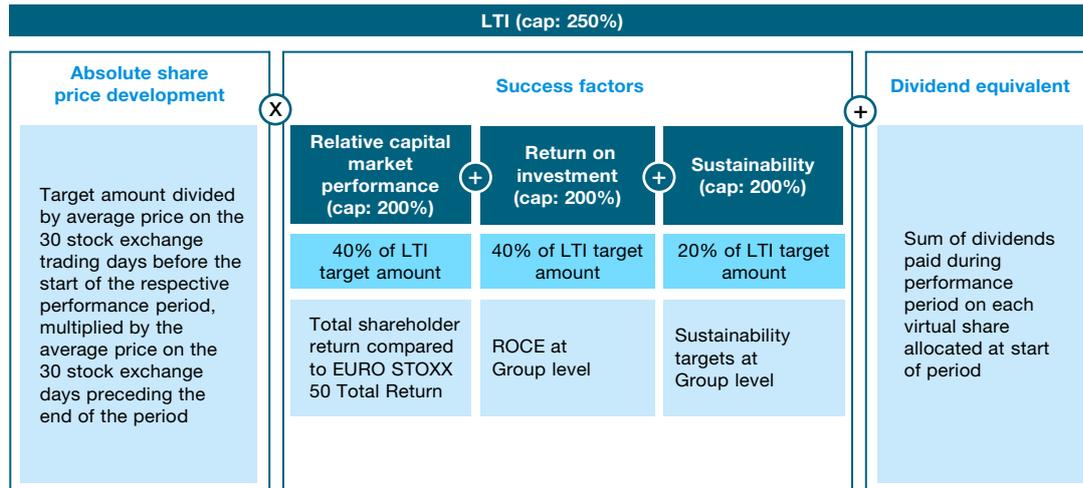
¹ The starting price was modified by a factor of 0.98409496 due to the capital measure implemented on June 6, 2018.

Aspire 3.0 tranches issued each year from 2020

The annual Aspire 3.0 tranches are allocated in the form of virtual shares with a performance period of four years for each tranche. The number of virtual shares conditionally allocated is calculated by multiplying base compensation by the contractually agreed target rate of 150% (160% for all LTI tranches allocated from 2022) to determine the LTI target amount, which is then divided by the arithmetic mean of the XETRA closing prices for Bayer stock on the 30 stock exchange trading days immediately preceding the start of the respective performance period.

Starting with the 2021 tranche, the payout at the end of the performance period depends on the target attainment for the performance criteria of relative capital market performance and return on investment, each with a weighting of 40%, and the performance criterion of sustainability, with a weighting of 20%. Depending on the company's success, the target attainment levels for the three performance criteria may vary between 0% and 200%. The payout is calculated by multiplying the conditionally allocated number of virtual shares by the arithmetic mean of the XETRA closing prices for Bayer stock on the 30 stock exchange trading days immediately preceding the end of the performance period and by the performance target attainment. In addition, the participants receive a dividend equivalent based on the sum of the dividends paid on each conditionally allocated virtual share during the performance period. The LTI payout is capped at 250% of the target amount. The components of the long-term variable cash compensation (LTI) are shown in the graphic below.

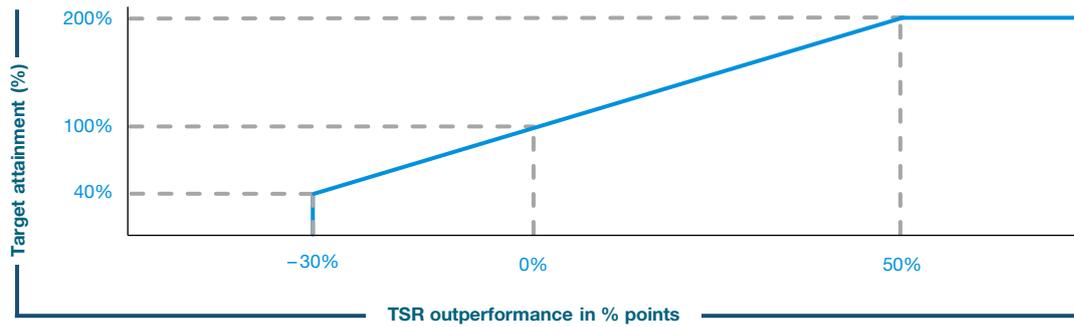
Components of Term Variable Cash Compensation (LTI)



Relative capital market performance

Relative capital market performance is determined by the difference between the development of Bayer’s total shareholder return (TSR) and that of a benchmark index, the EURO STOXX 50 Total Return. The TSR shows how Bayer shares performed over the four-year performance period, including relative share price development and hypothetically reinvested gross dividends. This takes account of Bayer’s capital market performance in relation to the EURO STOXX 50 Total Return. Bayer aims to be an attractive investment target and therefore incentivizes above-average capital market performance. The initial and final values for calculating the TSR are based on the arithmetic mean of the XETRA closing prices for Bayer stock on the 30 stock exchange trading days immediately preceding the start and the end, respectively, of the four-year performance period. The final value also includes the hypothetically reinvested gross dividends during that time. This reduces the effect of incidental share price movements that are not sustained. Target attainment is determined from the difference between Bayer’s TSR over the period and that of the EURO STOXX 50 Total Return. If the difference is zero – i.e., performance is on a par with that of the index – target attainment is 100%. If the difference is more than –30 percentage points, target attainment is 0%. If the difference equals –30 percentage points, target attainment is 40%. If the difference is +50 percentage points or more, target attainment is 200%. The payout curve for the relative TSR target is given in the graphic below.

C 2.2/10

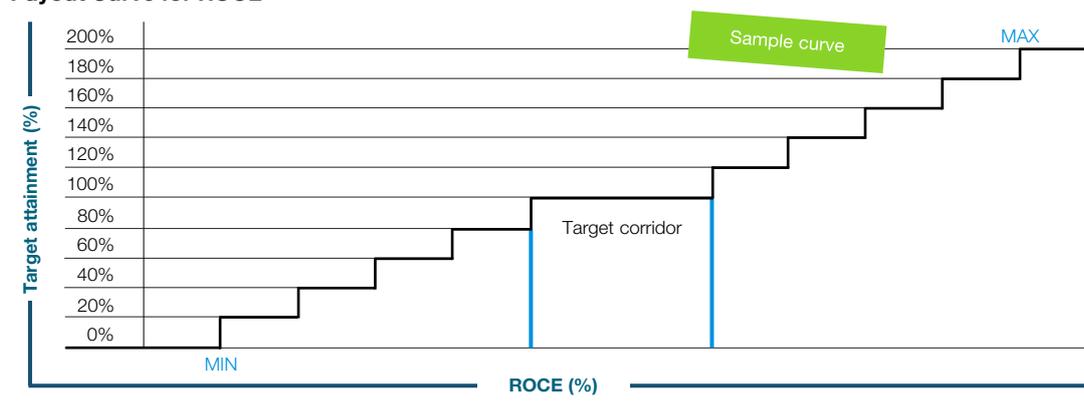
Payout Curve for Relative TSR**Return on investment**

The return on investment is based on the return on capital employed (ROCE) at Group level. The ROCE is used as a strategic indicator. The annual comparison of the ROCE to the weighted average cost of capital indicates the value generated by the company. The ROCE is an important part of Bayer's corporate steering system. At the start of each tranche, the Supervisory Board sets a minimum value, a target corridor, a maximum value and additional benchmarks for ROCE. The minimum value is based on the weighted average cost of capital (WACC) on the date the respective tranche is issued. The target corridor for 100% target attainment is based on the WACC and an ambitious premium. At the end of the four-year performance period, the ROCE achieved in the final year of the performance period is compared to the target corridor set for that tranche of the LTI. If the target corridor has been achieved, target attainment is 100%. If the target attainment is above or below the target corridor, the target attainment corresponds to the target function within an interval of 0% to 200%.

A sample payout curve for the ROCE is illustrated in the graphic below. The actual payout curve and target attainment level are published in the corresponding Compensation Report following the end of the four-year performance period, along with, where applicable, information on any adjustments the Supervisory Board makes to the ROCE and the reasoning behind them.

C 2.2/11

Payout Curve for ROCE



Sustainability

For the 2021 LTI tranche, the Supervisory Board for the first time defined specific sustainability goals for the four-year performance period. Sustainability goals at both divisional and Group level can be taken into account. In setting the sustainability goals, the Supervisory Board took care to ensure that these are measurable and transparent, and in doing so was guided by the goals contained in the Bayer sustainability strategy. All of the sustainability goals below are taken into account with the same weighting. The Supervisory Board also set a minimum value, a target corridor and a maximum value for the individual sustainability goals. If the target attainment is above or below the target corridor, the target attainment corresponds to a target function within an interval of 0% to 200%.

C 2.2/12

Nonfinancial Group Targets Through 2030

Target ¹	Target for 2030
Number of smallholder farmers in low- and middle-income countries (LMICs) supported by products, services and partnerships	100 million
Number of women in low- and middle-income countries (LMICs) who have their need for modern contraception satisfied due to interventions supported by Bayer	100 million
Number of people in underserved ² communities whose self-care is supported by interventions from Bayer	100 million
Scope 1 and 2 ³ greenhouse gas emissions	42% decrease ^{4, 6}
Scope 3 greenhouse gas emissions from relevant ⁷ categories	12.3% decrease ^{5, 6}
Off-setting of remaining Scope 1 and 2 greenhouse gas emissions	100%

¹ A more detailed description of the calculation methodologies is published on our website www.bayer.com/en/sustainability.

² Economically or medically

³ Covering Scope 1 and 2 emissions (market-based) of sites that have an energy consumption in excess of 1.5 terajoules

⁴ Corresponding to the sustainability target of limiting global temperature rise to 1.5°C above pre-industrial level

⁵ Corresponding to the sustainability target of limiting global temperature rise below 2°C above pre-industrial level

⁶ By the end of 2029

⁷ In accordance with the criteria set out by the Science Based Targets initiative, the Scope 3 categories relevant for our goal include emissions in the following categories: (1) purchased goods and services, (2) capital goods, (3) fuel- and energy-related activities, (4) (upstream) transportation and distribution, and (6) business travel

The setting of the individual sustainability goals and target attainment will be reported on in the corresponding Compensation Report following the end of the performance period. Where applicable, any adjustments the Supervisory Board makes to sustainability target values will also be explained,

along with the reasons behind those changes. Target attainment will be determined by the Supervisory Board and will be reviewed by an external auditor.

Ongoing tranches of long-term variable cash compensation (LTI)

Aspire 2.0 and 3.0 tranches are paid out at the earliest possible date following the end of the respective four-year performance period.

The following table provides an overview of the ongoing tranches of the current members of the Board of Management of Bayer AG in 2021:

C 2.2/13

Overview of LTI Tranches of Board of Management Members Serving as of Dec. 31, 2021

Overview of LTI tranches allocated

		Target amount (€ thousand)	Bayer stock starting price (€)	No. of conditionally allocated virtual shares ²	Target attainment for performance component ³	Bayer stock final price (€)	Total dividends per virtual share (€)	Payout percentage	Payout amount ⁴ (€ thousand)
2018 Aspire 2.0 tranche¹ (Jan. 1, 2018 – Dec. 31, 2021)	Werner Baumann	2,039		19,439					652
	Liam Condon	793		7,556					253
	Wolfgang Nickl	1,056	104.91	10,067	-50%	46.37	10.36	31.97%	338
	Stefan Oelrich	973		9,274					311
	Heiko Schipper	1,104		10,525					353
2019 Aspire 2.0 tranche (Jan. 1, 2019 – Dec. 31, 2022)	Werner Baumann	2,804		44,454					
	Liam Condon	1,841		29,187					
	Wolfgang Nickl	1,319	63.08	20,912					
	Stefan Oelrich	1,226		19,431					
	Heiko Schipper	1,181		18,721					
2020 Aspire 3.0 tranche (Jan. 1, 2020 – Dec. 31, 2023)	Werner Baumann	2,502		35,773					
	Liam Condon	1,441		20,597					
	Wolfgang Nickl	1,194	69.95	17,069					
	Stefan Oelrich	1,274		18,206					
	Heiko Schipper	1,194		17,069					
2021 Aspire 3.0 tranche (Jan. 1, 2021 – Dec. 31, 2024)	Werner Baumann	2,513		52,352					
	Liam Condon	1,446		30,141					
	Sarena Lin	1,174	47.99	24,460					
	Wolfgang Nickl	1,199		24,980					
	Stefan Oelrich	1,279		26,643					
	Heiko Schipper	1,199		24,980					

¹ The starting price was modified by a factor of 0.98409496 due to the capital measure implemented on June 6, 2018.

² The number of conditionally allocated virtual shares is determined by dividing the LTI target amount by the average share price over the preceding 30 stock exchange trading days before the tranche is issued.

³ Target attainment for Aspire 2.0 is based on Bayer's stock performance relative to the EURO STOXX 50. This increases or decreases the payout by the percentage of overperformance or underperformance, respectively, but by no more than 50 percentage points either way. Target attainment for Aspire 3.0 is based on weighted target attainment for the three performance criteria "Relative capital market performance", "Return on investment" and (since fiscal 2021) "Sustainability".

⁴ Shown here is the amount actually paid out. Due to system-related rounding differences, the parameters shown here may result in a payout amount that deviates from the sum actually paid out.

In line with the recommendation of the German Corporate Governance Code, already allocated LTI tranches are paid out according to the originally agreed targets at the end of the contractually specified performance period should a Board of Management member's service contract be terminated. The

following table shows the ongoing tranches of the former members of the Board of Management of Bayer AG:

C 2.2/14

Overview of LTI Tranches of Former Board of Management Members

Overview of LTI tranches allocated

		Target amount (€ thousand)	Bayer stock starting price (€)	No. of conditionally allocated virtual shares ²	Target attainment for performance component ³	Bayer stock final price (€)	Total dividends per virtual share (€)	Payout percentage	Payout amount ⁴ (€ thousand)
2018 Aspire 2.0 tranche¹ (Jan. 1, 2018 – Dec. 31, 2021)	Johannes Dietsch	432		4,118					138
	Dr. Hartmut Klusik	864		8,237					276
	Kemal Malik	923	104.91	8,795	-50%	46.37	10.36	31.97%	295
	Erica Mann	578		5,513					185
	Dieter Weinand	1,031		9,830					330
2019 Aspire 2.0 tranche (Jan. 1, 2019 – Dec. 31, 2022)	Dr. Hartmut Klusik	1,240	63.08	19,658	The performance period of the 2019 Aspire 2.0 tranche will end on Dec. 31, 2022				
	Kemal Malik	1,253		19,867					
2020 Aspire 3.0 tranche (Jan. 1, 2020 – Dec. 31, 2023)	Kemal Malik	1,190	69.95	17,008	The performance period of the 2020 Aspire 3.0 tranche will end on Dec. 31, 2023				
2021 Aspire 3.0 tranche (Jan. 1, 2021 – Dec. 31, 2024)	Kemal Malik	1,285	47.99	26,775	The performance period of the 2021 Aspire 3.0 tranche will end on Dec. 31, 2024				

¹ The starting price was modified by a factor of 0.98409496 due to the capital measure implemented on June 6, 2018.

² The number of conditionally allocated virtual shares is determined by dividing the LTI target amount by the average share price over the preceding 30 stock exchange trading days before the tranche is issued.

³ Target attainment for Aspire 2.0 is based on Bayer's stock performance relative to the EURO STOXX 50. This increases or decreases the payout by the percentage of overperformance or underperformance, respectively, but by no more than 50 percentage points either way. Target attainment for Aspire 3.0 is based on weighted target attainment for the three performance criteria "Relative capital market performance", "Return on investment" and (since fiscal 2021) "Sustainability".

⁴ Shown here is the amount actually paid out. Due to system-related rounding differences, the parameters shown here may result in a payout amount that deviates from the sum actually paid out.

Pension entitlement/installment

Members of the Board of Management appointed after January 1, 2020, are not entitled to a company pension plan but instead receive an earmarked amount known as a pension installment, which is paid out directly in a lump sum. The pension installment equals 40% of the respective base compensation. For the company, this avoids all the interest-rate and biometric risks involved in financing a pension entitlement. It also eliminates the complex actuarial calculations and administrative procedures involved. The members of the Board of Management are responsible for making their own pension arrangements.

Members of the Board of Management appointed prior to January 1, 2020, retain their contribution-based pension entitlements. Bayer makes company contributions to complement the personal contributions of 2% up to the ceiling for statutory pension contributions in Germany. The company contributions are currently set at 8% to Bayer-Pensionskasse or 2% to Rheinische Pensionskasse on fixed annual compensation up to the ceiling for statutory pension contributions in Germany. In addition,

Bayer provides a hypothetical annual contribution equal to 42% of the amount by which the respective base compensation exceeds that ceiling. This percentage is comprised of a basic contribution of 6% and a matching contribution of 36%, which is four times the member's personal contribution of 9%. The total annual contribution is converted into a pension entitlement according to the annuity table for the applicable tariff of the Rheinische Pensionskasse VVaG pension fund. The annual pension entitlement upon retirement is the total amount of the accumulated pension entitlements including any investment bonus, the amount of which is determined annually based on the net return on the assets of the Rheinische Pensionskasse VVaG minus the minimum return on the contributions that is guaranteed under the tariff and approved by the German Financial Supervisory Authority (BaFin). Future pension payments are reviewed annually and adjusted in line with the respective entitlements.

If the contract of a member of the Board of Management is terminated due to permanent incapacity to work before he or she reaches the age of 60, an invalidity pension is granted.

In addition, the following arrangements are in place for members of the Board of Management appointed prior to January 1, 2020:

- Werner Baumann acquired rights to a fixed annual pension of €443,940 starting on his 60th birthday prior to his appointment to the Board of Management. As of May 1, 2016, the day he was appointed Chairman of the Board of Management, his pension was switched over to a contribution-based entitlement. In connection with this, he received an additional, vested entitlement to an annual pension of €200 thousand starting on his 60th birthday. This is subject to a prorated reduction in the event that his term of office ends prior to his 60th birthday under certain conditions.
- In view of his split contract, Heiko Schipper participates in pension plans in Germany (30%) – for his service on the Board of Management of Bayer AG – and in Switzerland (70%) – under his contract as head of Consumer Health at BCC AG in Basel – on a prorated basis. Schipper's pension entitlement in Switzerland arises from a defined benefit plan in which contributions accumulate in an account and are then disbursed as a retirement annuity.

Certain assets are administered by Bayer Pension Trust e. V. under a contractual trust arrangement (CTA) to cover pension entitlements resulting from direct commitments in Germany. This provides

substantial additional security – beyond the benefits from the Pension Insurance Association – for the respective pension entitlements of the members of the Board of Management in Germany.

The current service cost for the pension entitlements of the Board of Management members recognized in 2021 according to IFRS was €3,800 thousand (2020: €3,375 thousand). The following table shows the service cost according to IFRS and the settlement or present value of the pension obligations attributable to the individual members of the Board of Management.

C 2.2/15

Pension Entitlements According to IFRS

€ thousand	Expense ¹		Present value of defined benefit pension obligation as of Dec. 31	
	2020	2021	2020	2021
Serving Board of Management members as of Dec. 31, 2021				
Contribution-based pension entitlements				
Werner Baumann (Chairman)	1,895	2,088	25,019	26,654
Liam Condon	702	784	7,188	7,648
Wolfgang Nickl	257	325	877	1,144
Stefan Oelrich	271	344	753	1,042
Heiko Schipper	250	259	6,086	7,243

¹ In the case of the contribution-based pension entitlements, the figures shown here pertain to the service cost for pension entitlements according to IFRS.

Malus and clawback provisions for variable compensation

In the event of gross misconduct or misrepresentation in financial reporting, the Supervisory Board has the discretion to withhold the STI and LTI for fiscal years from 2020 onward (malus) or – if these have already been paid out – to require that they be repaid to the company (clawback).

In the event a member of the Board of Management violates a substantial duty of care, significant obligations under his or her service contract or other important operating principles such as those prescribed by the Code of Conduct for Members of the Board of Management or the Corporate Compliance Policy, the Supervisory Board in the proper exercise of its discretion may reduce or cancel the portion of the variable compensation that has not yet been paid out (malus). The Supervisory Board in the proper exercise of its discretion may also require that all or part of any gross amount that has already been paid out be repaid to the company (clawback).

Moreover, the members of the Board of Management are obligated to repay any variable compensation already paid out if it is subsequently established that the audited and approved consolidated financial

statements on which the calculation of the payout for fiscal years from 2020 onward was based were defective. This applies even if the defectiveness of the consolidated financial statements is not attributable to any fault on the part of the members of the Board of Management. Irrespective of the above, a legal basis also exists for payment reductions or regress in the event of a damaging breach of duty by members of the Board of Management.

In 2021, the Supervisory Board did not see any cause to reduce any variable compensation that had not yet been paid out (malus) or reclaim variable compensation that had already been paid out (clawback).

Share Ownership Guidelines

The Bayer Share Ownership Guidelines are also an integral factor in the compensation system. They serve to further align the interests of the Board of Management with those of our stockholders and to strengthen sustainable development. Under the Bayer Share Ownership Guidelines, members of the Board of Management are required to build substantial positions in Bayer shares within four years of joining the Board. They must purchase shares to the value of 200% of base compensation in the case of the Chairman and 100% in the case of the other members of the Board of Management and retain them for the remainder of their service on the Board of Management and for two years thereafter. If they cannot provide evidence of this share ownership, they have no claim to payment of the LTI. The virtual shares allocated as part of the LTI program do not count toward the number of Bayer shares to be purchased under the Share Ownership Guidelines.

An overview of the current Share Ownership Guidelines can be found below:

C 2.2/16

Share Ownership Guidelines – Status

Serving Board of Management members as of Dec. 31, 2021

Board of Management member	Target (% of base compensation)	End of position-building phase	Status
Werner Baumann	200%	March 31, 2021 ¹	Fulfilled
Liam Condon	100%	March 31, 2021 ¹	Fulfilled
Sarena Lin	100%	January 31, 2025	In progress
Wolfgang Nickl	100%	April 25, 2022	Fulfilled
Stefan Oelrich	100%	October 31, 2022	Fulfilled
Heiko Schipper	100%	February 28, 2022	Fulfilled

¹ The end dates for the position-building phase were redefined after the targets within the Share Ownership Guidelines were updated in 2020.

Entitlements upon termination of service on the Board of Management

If the service contract of a member of the Board of Management is terminated before the end of the term of office – other than for cause – at the company's instigation, his or her entitlements under the service contract are fulfilled until the termination date. Payments of variable compensation are made on the originally agreed dates and conditions and are not brought forward. In line with the recommendations of the German Corporate Governance Code, the service contracts of the members of the Board of Management contain the provision that payments upon termination of service shall not exceed twice the annual compensation or the compensation amount for the remaining term of the contract if this is lower.

Change of control

To ensure their independence, members of the Board of Management are also entitled to a severance payment in the event of a change of control as defined in the German Securities Acquisition and Takeover Act, provided certain narrow conditions are met. The claim to a severance payment only arises if the service contract is terminated by mutual agreement at the company's instigation or if the position of the Board of Management member is significantly affected by the change of control and he or she gives notice of termination within 12 months of the date of the change of control. The position of the Board of Management member is significantly affected if, in particular, one of the following conditions is fulfilled:

- Significant changes in the company's strategy
- Significant changes in his or her own area of activity
- Significant changes in the company's legal form

In these cases, members of the Board of Management are entitled to a severance payment of 250% of annual base compensation, though this must not exceed the compensation for the remaining term of the respective contract. Board of Management members appointed in 2010 or earlier are entitled to a severance payment of 200% of annual cash compensation (base compensation, target STI and target LTI), though this must not exceed the compensation for the remaining term of the respective contract. This entitlement does not exist if termination takes place for cause as defined in Section 626 of the German Civil Code.

Post-contractual noncompete agreements

Post-contractual noncompete agreements exist with the members of the Board of Management, providing for indemnity payments to be made by the company for the two-year duration of these agreements. The indemnity payment for each of the two years amounts to 100% of a member's average base compensation for the 12 months preceding his or her departure. In the event a service contract is terminated early, any severance payment for the remaining part of the original term of the contract is deducted from the indemnity payment. Upon contract termination, the company may waive the post-contractual noncompete agreement, in which case no indemnity is paid.

Unfitness for work

In the event of temporary unfitness for work, members of the Board of Management continue to receive the contractually agreed compensation. If a Board of Management member has been continuously unfit for work for at least 18 months and is likely to be permanently incapable of fully performing his or her duties (permanent incapacity to work), the Supervisory Board may terminate his or her service contract early.

Payment for service on governance bodies

Any compensation a member of the Board of Management receives for service on the supervisory board of a Bayer Group company is deducted from his or her base compensation. Any membership in a supervisory board of a company outside the Bayer Group must be approved in advance by the Supervisory Board. Where a member of the Board of Management serves on the supervisory board of a company outside the Bayer Group, the Supervisory Board of Bayer Aktiengesellschaft decides whether and to what extent a deduction is to be made. No deductions are being made for Board of Management members currently serving on external supervisory boards.

Third-party compensation

No member of the Board of Management received compensation from a third party in 2021 in connection with their position on the Board of Management.

2.3 Individualized Board of Management compensation levels

Target compensation (voluntary disclosure)

The following tables show the individual target values, along with the minimum and maximum values, for the compensation components contractually agreed in 2021, including expenses for fringe benefits and pension entitlements, along with the relative shares of the individual compensation components.

C 2.3/1

Target Compensation (Part I)

	Serving Board of Management members as of Dec. 31, 2021									
	Werner Baumann (Chairman)					Liam Condon (Crop Science)				
	Joined Jan. 1, 2010					Joined Jan. 1, 2016				
	2021 (€ thousan d)	2021 (%)	Min. 2021 (€ thousan d)	Max. ¹ 2021 (€ thousan d)	2020 (€ thousan d)	2021 (€ thousan d)	2021 (%)	Min. 2020 (€ thousan d)	Max. ¹ 2021 (€ thousan d)	2020 (€ thousan d)
Base compensation	1,733	21.1	1,733	1,733	1,668	964	22.7	964	964	961
Fringe benefits	99	1.2	99	99	59	95	2.2	95	95	47
Pension installment	-	-	-	-	-	-	-	-	-	-
Short-term variable cash compensation										
STI 2020	-	-	-	-	1,668	-	-	-	-	961
STI 2021	1,775	21.6	0	3,550	-	964	22.7	0	1,929	-
Long-term stock-based cash compensation										
Aspire 3.0 2020 (Jan. 1, 2020 – Dec. 31, 2023)	-	-	-	-	2,502	-	-	-	-	1,441
Aspire 3.0 2021 (Jan. 1, 2021 – Dec. 31, 2024)	2,513	30.6	0	6,281	-	1,446	34.0	0	3,616	-
Service cost/benefit expense (IFRS)	2,088	25.5	2,088	2,088	1,895	784	18.4	784	784	702
Total compensation	8,208	100.0	3,920	13,751	7,792	4,253	100.0	1,843	7,388	4,112

C 2.3/2

Target Compensation (Part II)

	Serving Board of Management members as of Dec. 31, 2021									
	Sarena Lin ² (Labor Director)					Wolfgang Nickl (Finance)				
	Joined Feb. 1, 2021					Joined April 26, 2018				
	2021 (€ thousa nd)	2021 (%)	Min. 2021 (€ thousa nd)	Max. ¹ 2021 (€ thousa nd)	2020 (€ thousan d)	2021 (€ thousa nd)	2021 (%)	Min. 2020 (€ thousa nd)	Max. ¹ 2021 (€ thousa nd)	2020 (€ thousan d)
Base compensation	758	17.5	758	758	-	824	23.9	824	824	796
Fringe benefits	1,282	29.5	1,198	1,623	-	202	5.9	202	202	91
Pension installment	303	7.0	303	303	-	-	-	-	-	-
Short-term variable cash compensation										
STI 2020	-	-	-	-	-	-	-	-	-	796
STI 2021	825	19.0	0	1,650	-	900	26.1	0	1,800	-
Long-term stock-based cash compensation										
Aspire 3.0 2020 (Jan. 1, 2020 – Dec. 31, 2023)	-	-	-	-	-	-	-	-	-	1,194
Aspire 3.0 2021 (Jan. 1, 2021 – Dec. 31, 2024)	1,174	27.0	0	2,935	-	1,199	34.8	0	2,998	-
Service cost/benefit expense (IFRS)	-	-	-	-	-	325	9.3	325	325	257
Total compensation	4,342	100.0	2,259	7,269	-	3,450	100.0	1,351	6,149	3,134

Target Compensation (Part III)

	Serving Board of Management members as of Dec. 31, 2021									
	Stefan Oelrich ³ (Pharmaceuticals) Joined Nov. 1, 2018					Heiko Schipper ⁴ (Consumer Health) Joined Mar. 1, 2018				
	2021 (€ thousa nd)	2021 (%)	Min. 2021 (€ thousa nd)	Max. ¹ 2021 (€ thousa nd)	2020 (€ thousan d)	2021 (€ thousa nd)	2021 (%)	Min. 2020 (€ thousa nd)	Max. ¹ 2021 (€ thousa nd)	2020 (€ thousan d)
Base compensation	872	20.3	872	872	849	824	22.7	824	824	796
Fringe benefits	861	20.1	861	861	860	443	12.2	443	443	594
Pension installment	-	-	-	-	-	-	-	-	-	-
Short-term variable cash compensation										
STI 2020	-	-	-	-	849	-	-	-	-	796
STI 2021	930	21.7	0	1,860	-	900	24.8	0	1,800	-
Long-term stock-based cash compensation										
Aspire 3.0 2020 (Jan. 1, 2020 – Dec. 31, 2023)	-	-	-	-	1,274	-	-	-	-	1,194
Aspire 3.0 2021 (Jan. 1, 2021 – Dec. 31, 2024)	1,279	29.8	0	3,196	-	1,199	33.1	0	2,997	-
Service cost/benefit expense (IFRS)	344	8.1	344	344	271	259	7.2	259	259	250
Total compensation	4,286	100.0	2,077	7,133	4,103	3,625	100.0	1,526	6,323	3,630

¹ The maximum figures shown here do not yet take into account the total caps applicable (see C 2.1/3).

² The fringe benefits for Sarena Lin include buyout amounts for lapsed entitlements to bonuses granted by her former employer, and the reimbursement of costs incurred for selling her home in the United States, with a cap applying in each case.

³ The fringe benefits for Stefan Oelrich contain an indemnity payment of €808 thousand (2020: €808 thousand) for variable compensation components granted to him by his former employer that lapsed due to his joining Bayer. This indemnity amounts to €2,424 thousand in total and was paid over a period of three years on a pro rata temporis basis.

⁴ The fringe benefits for Heiko Schipper contain an indemnity payment of €431 thousand (2020: €530 thousand) for variable compensation components granted to him by his former employer that lapsed due to his joining Bayer. This indemnity amounts to a maximum of €1,950 thousand. A quarter of this amount was paid at the date he joined the Board of Management. The remaining three-quarters was paid over a period of three years on a pro rata temporis basis.

Compensation awarded and due

The following tables show the compensation individually awarded and due. The tables include all fixed (base compensation, fringe benefits, and pension entitlements/installment) and variable (short- and long-term variable cash compensation) compensation components along with their respective relative shares for each member of the Board of Management. Awarded compensation encompasses compensation for services that have been fully rendered once the fiscal year ends, even though actual payment will not be made until the subsequent fiscal year. Due compensation comprises compensation that is legally due but has not yet been actually paid out to the Board of Management member.

The way compensation is allocated can be illustrated using the examples of short-term cash compensation (STI) and long-term stock-based cash compensation (Aspire 2.0 and Aspire 3.0):

- The payout amounts for the 2021 STI and the Aspire 2.0 tranche issued in 2018 are included in the column for compensation awarded and due, since the respective Board of Management

member had fully rendered the services on which the respective compensation is based during the one- and four-year periods. The fact that the payouts will not actually be made until the subsequent year is overlooked in order to present the link between the compensation and performance of the Board of Management in the same period.

The service cost according to IFRS is additionally shown as a part of Board of Management compensation, even though it does not constitute awarded or due compensation within the meaning of Section 162 of the Stock Corporation Act (AktG).

C 2.3/4

Compensation Awarded and Due (Part I)

	Serving Board of Management members as of Dec. 31, 2021					
	Werner Baumann (Chairman) Joined Jan. 1, 2010			Liam Condon (Crop Science) Joined Jan. 1, 2016		
	2021 (€ thousand)	2021 (%)	2020 (€ thousand)	2021 (€ thousand)	2021 (%)	2020 (€ thousand)
Base compensation	1,733	30.4	1,668	964	11.7	961
Fringe benefits	99	1.7	59	95	1.2	47
Pension installment	–	–	–	–	–	–
Short-term variable cash compensation						
STI 2020	–	–	906	–	–	458
STI 2021	3,218	56.4	–	1,736	21.0	–
Long-term stock-based cash compensation						
Aspire 2.0 2017 (Jan. 1, 2017 – Dec. 31, 2020)	–	–	1,345	–	–	638
Aspire 2.0 2018 (Jan. 1, 2018 – Dec. 31, 2021)	652	11.4	–	253	3.1	–
Other ¹	–	–	–	5,201	63.1	–
Total compensation awarded and due	5,702	100.0	3,978	8,249	100.0	2,104
Service cost/benefit expense (IFRS)	2,088		1,895	784		702
Total compensation	7,790		5,873	9,033		2,806

Compensation Awarded and Due (Part II)

	Serving Board of Management members as of Dec. 31, 2021					
	Sarena Lin ² (Labor Director) Joined Feb. 1, 2021			Wolfgang Nickl (Finance) Joined April 26, 2018		
	2021 (€ thousand)	2021 (%)	2020 (€ thousand)	2021 (€ thousand)	2021 (%)	2020 (€ thousand)
Base compensation	758	20.4	–	824	27.5	796
Fringe benefits	1,282	34.6	–	202	6.7	91
Pension installment	303	8.2	–	–	–	–
Short-term variable cash compensation						
STI 2020	–	–	–	–	–	428
STI 2021	1,366	36.8	–	1,632	54.5	–
Long-term stock-based cash compensation						
Aspire 2.0 2017 (Jan. 1, 2017 – Dec. 31, 2020)	–	–	–	–	–	–
Aspire 2.0 2018 (Jan. 1, 2018 – Dec. 31, 2021)	–	–	–	338	11.3	–
Other	–	–	–	–	–	–
Total compensation awarded and due	3,709	100.0	–	2,996	100.0	1,315
Service cost/benefit expense (IFRS)	–	–	–	325	–	257
Total compensation	3,709		–	3,321		1,572

Compensation Awarded and Due (Part III)

	Serving Board of Management members as of Dec. 31, 2021					
	Stefan Oelrich ³ (Pharmaceuticals) Joined Nov. 1, 2018			Heiko Schipper ⁴ (Consumer Health) Joined Mar. 1, 2018		
	2021 (€ thousand)	2021 (%)	2020 (€ thousand)	2021 (€ thousand)	2021 (%)	2020 (€ thousand)
Base compensation	872	23.9	849	824	26.0	796
Fringe benefits	861	23.6	860	443	14.0	594
Pension installment	–	–	–	–	–	–
Short-term variable cash compensation						
STI 2020	–	–	420	–	–	751
STI 2021	1,600	43.9	–	1,553	48.9	–
Long-term stock-based cash compensation						
Aspire 2.0 2017 (Jan. 1, 2017 – Dec. 31, 2020)	–	–	–	–	–	–
Aspire 2.0 2018 (Jan. 1, 2018 – Dec. 31, 2021)	311	8.5	–	353	11.1	–
Other	–	–	–	–	–	–
Total compensation awarded and due	3,644	100.0	2,129	3,173	100.0	2,141
Service cost/benefit expense (IFRS)	344	–	271	259	–	250
Total compensation	3,988		2,400	3,432		2,391

¹ Owing to his departure and the supplementary agreement concluded with him, Liam Condon's Aspire compensation for 2019 through 2021 was fully earned as of December 31, 2021, and was thus awarded in 2021. In addition, Liam Condon was awarded an entitlement to a maximum indemnity payment totaling €1,929 thousand that is to be paid out in monthly installments for a period of two years. Pursuant to Section 74c of the German Commercial Code, any compensation that Liam Condon receives in the two years following his departure from Bayer's Board of Management will be deducted from said indemnity payment.

² The fringe benefits for Sarena Lin include indemnity buyout amounts for lapsed entitlements to bonuses granted by her former employer, and the reimbursement of costs incurred for selling her home in the United States, with a cap applying in each case.

³ The fringe benefits for Stefan Oelrich contain an indemnity payment of €808 thousand (2020: €808 thousand) for variable compensation components granted to him by his former employer that lapsed due to his joining Bayer.

⁴ The fringe benefits for Heiko Schipper contain an indemnity payment of €431 thousand (2020: €530 thousand) for variable compensation components granted to him by his former employer that lapsed due to his joining Bayer.

C 2.3/7

Compensation Awarded and Due to Former Board of Management Members (Part I)

	Dr. Hartmut Klusik Stepped down: Dec 31, 2019		Kemal Malik Stepped down: Dec 31, 2019	
	2021 (€ thousand)	2021 (%)	2021 (€ thousand)	2021 (%)
Long-term stock-based cash compensation ¹	(364)	124.7	(363)	100.0
Pension payments	72	- 24.7	-	-
Other compensation	-	-	-	-
Total compensation awarded and due	(292)	100.0	(363)	100.0

C 2.3/8

Compensation Awarded and Due to Former Board of Management Members (Part II)

	Johannes Dietsch Stepped down: May 31, 2018		Erica Mann Stepped down: March 31, 2018		Dieter Weinand Stepped down: Oct. 31, 2018	
	2021 (€ thousand)	2021 (%)	2021 (€ thousand)	2021 (%)	2021 (€ thousand)	2021 (%)
Long-term stock-based cash compensation ¹	(345)	100.0	(282)	100.0	(450)	100.0
Pension payments	-	-	-	-	-	-
Other compensation	-	-	-	-	-	-
Total compensation awarded and due	(345)	100.0	(282)	100.0	(450)	100.0

C 2.3/9

Compensation Awarded and Due to Former Board of Management Members (Part III)

	Dr. Marijn Dekkers Stepped down: April 30, 2016		Prof. Dr. Wolfgang Plischke Stepped down: April 29, 2014		Dr. Richard Pott Stepped down: May 31, 2013	
	2021 (€ thousand)	2021 (%)	2021 (€ thousand)	2021 (%)	2021 (€ thousand)	2021 (%)
Long-term stock-based cash compensation ¹	-	-	-	-	-	-
Pension payments	650	100.0	439	100.0	612	100.0
Other compensation	-	-	-	-	-	-
Total compensation awarded and due	650	100.0	439	100.0	612	100.0

¹ The figure shown here is the difference between the fair value of the long-term stock-based cash compensation that was originally fully awarded to the Board of Management member when he stepped down, and the actual payout amount in the year in which payment is made.

2.4 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. The compensation of the Supervisory Board members for the period January 1, 2021, through April 27, 2021, is therefore determined by the provisions of the Articles of Incorporation that applied up until the resolution was passed by the 2021 Annual Stockholders' Meeting, while their compensation for the period April 28, 2021, through December 31, 2021, is determined by the provisions of the Articles of Incorporation that were adopted by the Annual Stockholders' Meeting on April 27, 2021.

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.

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 Chairman 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.

C 2.4/1

Design of Supervisory Board Compensation

Up until April 27, 2021	Compensation element	From April 28, 2021
<ul style="list-style-type: none"> Chairman: €396,000 Vice Chairman: €264,000 Ordinary member: €132,000 	Fixed compensation	<ul style="list-style-type: none"> Chairman: €480,000 Vice Chairman: €320,000 Ordinary member: €160,000
<ul style="list-style-type: none"> Chairman and Vice Chairman 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 two committees (highest-paying functions taken into account) 	Compensation for committee duties	<ul style="list-style-type: none"> Chairman and Vice Chairman 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)
<ul style="list-style-type: none"> Chairman: €132,000 Member: €66,000 	Audit Committee	<ul style="list-style-type: none"> Chairman: €120,000 Member: €60,000
<ul style="list-style-type: none"> Chairman: €66,000 Member: €33,000 	Presidial Committee	<ul style="list-style-type: none"> Chairman: €40,000 Member: €20,000
<ul style="list-style-type: none"> Chairman: - Member: - 	Nominations Committee	<ul style="list-style-type: none"> Chairman: €40,000 Member: €20,000
<ul style="list-style-type: none"> Chairman: €66,000 Member: €33,000 	Other committees	<ul style="list-style-type: none"> Chairman: €60,000 Member: €30,000
<ul style="list-style-type: none"> €1,000 (for each meeting attended in person)¹ 	Attendance fees	<ul style="list-style-type: none"> €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 for 25% of their pretax fixed compensation, including any additional compensation for committee membership, 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.

Compensation awarded and due

C 2.4/2

Compensation Awarded and Due (Part I)

	Fixed compensation			Compensation for committee duties		
	2021	2020		2021	2020	
	(€ thousand)	(%)	(€ thousand)	(€ thousand)	(%)	(€ thousand)
Supervisory Board members serving as of Dec. 31, 2021						
Dr. Paul Achleitner	151	63.7	132	75	31.6	66
Dr. Simone Bagel-Trah	151	86.8	132	14	8.0	–
Horst Baier ¹	151	46.9	89	154	47.8	112
Dr. Norbert W. Bischofberger	151	78.6	132	30	15.6	33
André van Broich	151	61.1	132	82	33.2	66
Ertharin Cousin	151	83.0	132	20	11.0	–
Dr. Thomas Elsner	151	58.1	132	92	35.4	99
Colleen A. Goggins	151	72.6	132	45	21.6	33
Robert Gundlach	151	78.6	132	30	15.6	2
Heike Hausfeld	151	79.1	132	31	16.2	33
Reiner Hoffmann	151	94.4	132	–	0.0	–
Dr. Fei-Fei Li ²	109	93.2	–	–	0.0	–
Frank Löllgen	151	61.4	132	83	33.7	66
Petra Reinbold-Knape	151	68.6	132	55	25.0	66
Andrea Sacher ³	151	94.4	41	–	0.0	–
Michael Schmidt-Kießling	151	94.4	132	–	0.0	–
Alberto Weisser ⁴	109	66.5	–	41	25.0	–
Prof. Dr. Otmar D. Wiestler	151	70.9	132	51	23.9	33
Prof. Dr. Norbert Winkeljohann (Chairman) ⁵	453	95.8	311	–	0.0	54
Oliver Zühlke (Vice Chairman)	302	94.7	264	–	0.0	–
Individuals who ceased to be members of the Supervisory Board in 2020 and 2021						
Johanna W. (Hanneke) Faber ⁶	42	100.0	132	–	0.0	–
Prof. Dr. Wolfgang Plischke ⁷	42	49.4	132	43	50.6	132
Sabine Schaab ⁸	–	–	78	–	–	20
Werner Wenning ⁹	–	–	129	–	–	–

Compensation Awarded and Due (Part II)

	Attendance fees		Total compensation	
	2021	2020	2021	2020
Supervisory Board members serving as of Dec. 31, 2021	(€ thousand)	(%)	(€ thousand)	(€ thousand)
Dr. Paul Achleitner	11	4.6	1	237
Dr. Simone Bagel-Trah	9	5.2	1	174
Horst Baier ¹	17	5.3	–	322
Dr. Norbert W. Bischofberger	11	5.7	1	192
André van Broich	14	5.7	2	247
Ertharin Cousin	11	6.0	1	182
Dr. Thomas Elsner	17	6.5	2	260
Colleen A. Goggins	12	5.8	–	208
Robert Gundlach	11	5.7	1	192
Heike Hausfeld	9	4.7	2	191
Reiner Hoffmann	9	5.6	1	160
Dr. Fei-Fei Li ²	8	6.8	–	117
Frank Löllgen	12	4.9	2	246
Petra Reinbold-Knape	14	6.4	1	220
Andrea Sacher ³	9	5.6	–	160
Michael Schmidt-Kießling	9	5.6	1	160
Alberto Weisser ⁴	14	8.5	–	164
Prof. Dr. Otmar D. Wiestler	11	5.2	1	213
Prof. Dr. Norbert Winkeljohann (Chairman) ⁵	20	4.2	2	473
Oliver Zühlke (Vice Chairman)	17	5.3	2	319
Individuals who ceased to be members of the Supervisory Board in 2020 and 2021				
Johanna W. (Hanneke) Faber ⁶	–	0.0	1	42
Prof. Dr. Wolfgang Plischke ⁷	–	0.0	2	85
Sabine Schaab ⁸	–	–	1	–
Werner Wenning ⁹	–	–	2	–

¹ Member of the Supervisory Board since April 28, 2020

² Member of the Supervisory Board since April 27, 2021

³ Member of the Supervisory Board since September 8, 2020

⁴ Member of the Supervisory Board since April 27, 2021

⁵ Chairman of the Supervisory Board since April 28, 2020

⁶ Member of the Supervisory Board until April 27, 2021

⁷ Member of the Supervisory Board until April 27, 2021

⁸ Member of the Supervisory Board until August 4, 2020

⁹ Chairman of the Supervisory Board until April 28, 2020

No compensation was paid or benefits granted to members of the Supervisory Board for personally performed services such as consultancy or agency services. The company has purchased insurance for the members of the Supervisory Board to cover their personal liability arising from their service on the Supervisory Board.

2.5 Development of Board of Management Compensation Relative to Employee Compensation and the Financial Performance of the Company

The table below provides an overview of the development of the compensation awarded and due to current and former members of the Board of Management and Supervisory Board, the development of the average compensation of the employees, and the development of selected financial performance indicators of the Bayer Group and Bayer AG over the past five years.

The former Board of Management members included in the table are those who stepped down in the last 10 years. The former Supervisory Board members shown in the table are those to whom compensation was awarded or due in 2021.

The compensation shown below for the employees, nonmanagerial employees and overall workforce in Germany includes the employees of Bayer AG, Leverkusen, Bayer Intellectual Property GmbH, Monheim am Rhein, and Pallas Versicherung Aktiengesellschaft, Leverkusen. From 2018, the figures do not include Animal Health employees. The employees of Bayer Business Services (BBS) GmbH, Leverkusen have been accounted for within Bayer AG, Leverkusen, since January 1, 2020.

The performance indicators are affected by the acquisition of Monsanto (2018) and by the divestments of Covestro (2017), various Crop Science businesses to BASF (2018), the prescription dermatology business of Consumer Health (2018 and 2019), the Dr. Scholl's™ and Coppertone™ brands (2019), our stake in Currenta (2019), and Animal Health (2020). They are also particularly affected by the recognition of Covestro (2017), Currenta (2019) and Animal Health (2019) as discontinued operations. In addition, core earnings per share are impacted by the increase in the number of shares in 2018.

C 2.5/1

Development of Compensation and Financial Performance – Comparative Overview

in € thousand	2017	Δ (%)	2018	Δ (%)	2019	Δ (%)	2020	Δ (%)	2021
Serving Board of Management members as of Dec. 31, 2021									
Werner Baumann (Chairman) ¹	2,972	+ 9.4	3,250	+ 13.4	3,687	+ 7.9	3,978	+ 43.3	5,702
Liam Condon ²	1,412	+ 36.0	1,921	+ 31.3	2,523	- 16.6	2,104	+ 292.1	8,249
Sarena Lin	-	-	-	-	-	-	-	-	3,709
Wolfgang Nickl	-	-	1,135	+ 51.0	1,714	- 23.3	1,315	+ 127.8	2,996
Stefan Oelrich	-	-	277	+ 866.1	2,676	- 20.4	2,129	+ 71.2	3,644
Heiko Schipper	-	-	1,816	+ 22.7	2,228	- 3.9	2,141	+ 48.2	3,173
Former members									
Dr. Marijn Dekkers ¹	(5)	- 4,500.0	220	- 35.9	141	- 626.2	(742)	- 187.6	650
Johannes Dietsch ^{1, 2}	1,498	+ 162.8	3,937	- 108.6	(338)	- 56.5	(147)	+ 134.7	(345)
Dr. Hartmut Klusik ^{1, 2}	1,388	+ 16.1	1,612	+ 220.0	5,158	- 98.6	72	- 505.6	(292)
Michael König ¹	(126)	+ 165.1	(334)	- 0.9	(331)	- 29.9	(232)	-	-
Kemal Malik ^{1, 2}	1,448	+ 12.8	1,633	+ 632.2	11,957	-	-	-	(363)
Erica Mann ^{1, 2}	1,264	+ 482.5	7,363	-	-	-	(49)	+ 475.5	(282)
Prof. Dr. Wolfgang Plischke ¹	535	- 37.9	332	+ 29.8	431	+ 1.2	436	+ 0.7	439
Dr. Richard Pott ¹	816	- 28.2	586	+ 2.6	601	+ 1.0	607	+ 0.8	612
Dieter Weinand ^{1, 2}	1,682	+ 126.8	3,815	-	-	-	(52)	+ 765.4	(450)

¹ Differences between the compensation awarded in previous years (e.g., for the LTI and the virtual shares awarded under the STI program through 2015) and the actual payouts in the subsequent years are shown in the year in which payment is made. If the compensation awarded is higher than the amount actually paid out, it can result in a negative amount, which is then included in awarded compensation in the year in which payment is made.

² During their last year of service on the Board of Management, members may potentially be awarded various severance and indemnity payments under a termination agreement. The severance payments comprise, for example, base compensation, STI and LTI and pension entitlements granted to them under their original Board of Management contract until its termination.

Development of Compensation and Financial Performance – Comparative Overview

in € thousand	2017	Δ (%)	2018	Δ (%)	2019	Δ (%)	2020	Δ (%)	2021
Serving Supervisory Board members as of Dec. 31, 2021									
Dr. Paul Achleitner	197	+ 3.6	204	0.0	204	- 2.5	199	+ 19.1	237
Dr. Simone Bagel-Trah	131	+ 4.6	137	0.0	137	- 2.9	133	+ 30.8	174
Horst Baier	-	-	-	-	-	-	201	+ 60.2	322
Dr. Norbert W. Bischofberger	95	+ 78.9	170	+ 0.6	171	- 2.9	166	+ 15.7	192
André van Broich	176	+ 16.5	205	0.0	205	- 2.4	200	+ 23.5	247
Ertharin Cousin	-	-	-	-	34	+ 291.2	133	+ 36.8	182
Dr. Thomas Elsner	141	+ 47.5	208	+ 8.2	225	+ 3.6	233	+ 11.6	260
Colleen A. Goggins	93	+ 46.2	136	+ 13.2	154	+ 7.1	165	+ 26.1	208
Robert Gundlach	-	-	-	-	5	+ 2,600.0	135	+ 42.2	192
Heike Hausfeld	116	+ 48.3	172	0.0	172	- 2.9	167	+ 14.4	191
Reiner Hoffmann	130	+ 4.6	136	- 0.7	135	- 1.5	133	+ 20.3	160
Dr. Fei-Fei Li	-	-	-	-	-	-	-	-	117
Frank Löllgen	200	+ 4.0	208	0.0	208	- 3.8	200	+ 23.0	246
Petra Reinbold-Knape	196	+ 4.1	204	+ 0.5	205	- 2.9	199	+ 10.6	220
Andrea Sacher	-	-	-	-	-	-	41	+ 290.2	160
Michael Schmidt-Kießling	133	+ 3.8	138	- 0.7	137	- 2.9	133	+ 20.3	160
Alberto Weisser	-	-	-	-	-	-	-	-	164
Prof. Dr. Otmar D. Wiestler	166	+ 2.4	170	+ 0.6	171	- 2.9	166	+ 28.3	213
Prof. Dr. Norbert Winkeljohann (Chairman)	-	-	165	+ 75.8	290	+ 26.6	367	+ 28.9	473
Oliver Zühlke (Vice Chairman)	264	+ 3.4	273	- 1.1	270	- 1.5	266	+ 19.9	319
Former Supervisory Board members³									
Johanna W. (Hanneke) Faber (until April 27, 2021)	132	+ 3.0	136	- 0.7	135	- 1.5	133	- 68.4	42
Prof. Dr. Wolfgang Plischke (until April 27, 2021)	264	+ 3.8	274	+ 0.4	275	- 3.3	266	- 68.0	85
Employees									
Average compensation for employees ⁴	109	- 7.3	101	+ 6.9	108	- 1.9	106	- 1.9	104
Financial performance									
EBITDA before special items (€ million) (Bayer Group) ⁵	9,288	+ 2.8	9,547	+ 20.5	11,503	- 0.4	11,461	- 2.5	11,179
Core earnings per share (in €) ⁶	6.74	- 11.9	5.94	+ 7.7	6.40	- 0.2	6.39	+ 1.9	6.51
Net income/net loss (Bayer AG)	4,543	- 53.4	2,117	+ 115.3	4,557	- 155.9	(2,547)	- 261.4	4,110

³ Supervisory Board members who stepped down in 2021

⁴ The average compensation of managerial and nonmanagerial employees (based on full-time equivalents) comprises base compensation (for nonmanagerial employees under collective bargaining agreements: annual salary plus any shift bonuses and allowances depending on the position; for other employee groups: annual functional income), the annual bonus paid out in the fiscal year (short-term incentive (STI) payout based on actual target attainment in prior year), and the four-year stock-based compensation paid out in the fiscal year (where the respective employee groups are eligible to participate). For nonmanagerial employees, the 13th monthly salary and the contractually agreed vacation bonus were taken into account. Fringe benefits taken into account comprised employer contributions to social insurance and, for eligible employee groups, the budget provided for a company car. Expenditures for fringe benefits (such as home security equipment, indemnity payments for lapsed variable compensation components granted by former employers) were not taken into account due to their irregular nature.

⁵ 2017–2020 as originally reported, forming basis for compensation

⁶ Core earnings per share from continuing operations, 2017–2020 as originally reported, forming basis for compensation

The following voluntary overview shows the development of the target direct compensation of the Board of Management in relation to both the compensation of all employees in Germany and that of nonmanagerial employees under collective bargaining agreements in Germany. The aim of this approach is to enhance comparability in the development of compensation. It is calculated based on contractually agreed target compensation levels with respect to base compensation, short-term variable cash compensation and the four-year long-term stock-based cash compensation (where the respective

employee groups are eligible to participate). For nonmanagerial employees in Germany, the 13th monthly salary and the contractually agreed vacation bonus were taken into account. Variable compensation components for both the Board of Management and the other employee groups were based on the assumption of 100% target attainment. Expenditures for fringe benefits (such as home security equipment, indemnity payments for lapsed variable compensation components granted by former employers) were not taken into account due to their irregular nature. Expenditures for pensions were also disregarded in view of the interest sensitivity of the expenses.

C 2.5/2

Development of Average Target Direct Compensation¹ of the Board of Management and Employees

€	2017	Change %	2018	Change %	2019	Change %	2020	Change %	2021
Board of Management	3,074,400	+ 1.6	3,123,600	+ 5.9	3,307,600	+ 7.3	3,548,790	+ 4.7	3,715,425
All employees ² in Germany	91,276	+ 2.6	93,678	+ 4.0	97,445	+ 0.6	98,014	+ 1.4	99,390
Nonmanagerial employees in Germany	61,249	+ 1.8	62,351	+ 4.4	65,123	- 0.6	64,763	+ 1.3	65,623

¹ Base compensation, STI and LTI (not taking into account individual STI payout factor), excluding pensions and fringe benefits; calculated on the basis of full-time equivalents (FTEs). The relative changes in average target direct compensation can be influenced by a range of factors and can vary both over time and across the Board of Management, the overall workforce and nonmanagerial employees. These factors include changes in the composition of the workforce, various salary adjustments within and outside of collective bargaining agreements, the integration and carving out of business entities, or measures relating to HR policy. In connection with the implementation of Section 162 of the German Stock Corporation Act (AktG), compensation data was redetermined to achieve consistency between the existing vertical analysis and the comparative overview shown in table C 2.5/1.

² Excluding the Board of Management

The difference between the percentage increases in average target direct compensation for nonmanagerial employees and that for all employees in Germany in 2021 compared with 2020 is again primarily due to changes in the structure of the workforce as a result of restructuring measures. In addition, the compensation of nonmanagerial employees in Germany was adjusted effective July 1, 2020, and July 1, 2021, as agreed in the 2019 collective bargaining agreement.

In 2021, the ratio between the average compensation of a Board of Management member and that of all employees in Germany stood at 37:1 (2020: 36:1), while the ratio between the average compensation of a Board of Management member and that of nonmanagerial employees in Germany was 57:1 (2020: 55:1). For the Chairman of the Board of Management, the ratios were 63:1 (2020: 60:1) in relation to all employees in Germany and 95:1 (2020: 90:1) in relation to nonmanagerial employees in Germany. The prior-year figures above were adjusted due to the standardization of the calculation logic employed.

Leverkusen, February 18, 2022

Bayer Aktiengesellschaft

For the Board of Management:

Werner Baumann

Sarena Lin

Wolfgang Nickl

For the Supervisory Board:

Prof. Dr. Winkeljohann

INDEPENDENT AUDITOR'S REPORT

To Bayer Aktiengesellschaft, Leverkusen

We have audited the attached Compensation Report of Bayer Aktiengesellschaft, Leverkusen, (the "Company"), for the financial year from January 1 to December 31, 2021, including the related disclosures, prepared in observance of Section 162 AktG. We did not audit the content of the Introduction of the Supervisory Board Chairman, which does not fall within the scope of Section 162 AktG.

Responsibilities of the legal representatives and the Supervisory Board

The legal representatives and the Supervisory Board of Bayer Aktiengesellschaft, Leverkusen, are responsible for preparing the Compensation Report, including the related disclosures, that meets the requirements of Section 162 AktG. The legal representatives and the Supervisory Board are also responsible for such internal controls as they have determined necessary to enable the preparation of a Compensation Report, including the related disclosures, that is free from material misstatements, whether due to fraud or error.

Responsibilities of the independent auditor

Our task is to issue an opinion on this Compensation Report, including the related disclosures, on the basis of our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). In accordance

with these standards, we are required to fulfill our professional obligations and to plan and perform the audit in such a way as to obtain reasonable assurance about whether the Compensation Report, including the related disclosures, is free from material misstatements.

An audit comprises the performance of audit procedures in order to obtain audit evidence for the stated values in the Compensation Report, including the related disclosures. The selection of audit procedures is made at the dutiful discretion of the independent auditor. This includes an assessment of the risks of material misstatements, whether due to fraud or error, in the Compensation Report. In assessing these risks, the independent auditor considers the internal control system relevant for the preparation of the Compensation Report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate under the given circumstances, but not to issue an audit opinion on the efficacy of the Company's internal control system. An audit also comprises an assessment of the accounting methods applied, the tenability of the values estimated by the legal representatives and the Supervisory Board in the accounting records, and an assessment of the overall presentation of the Compensation Report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, on the basis of the knowledge obtained in the audit, the Compensation Report for the financial year from January 1 to December 31, 2021, including the related disclosures, complies with the accounting regulations Section 162 AktG in all material respects. Our audit opinion on the Compensation Report does not extend to the content of the aforementioned Introduction of the Supervisory Board Chairman, which does not fall within the scope of Section 162 AktG.

Other matter – Formal audit of the Compensation Report

The audit of the content of the Compensation Report described in this Independent Auditor's Report comprises the formal audit of the Compensation Report required by Section 162 (3) AktG, including the issuance of a report on this audit. Because we are providing an unqualified audit opinion on the audit of the content of the Compensation Report, this audit opinion also includes the finding that the statements

required by Section 162 (1) and 2 AktG have been made in the Compensation Report in all material respects.

Other information

The Supervisory Board is responsible for the Other information. The Other information consists of the introduction to the Compensation Report by the Chairman of the Supervisory Board.

Our audit opinion on the Compensation Report does not extend to the Other information and therefore we provide neither an audit opinion nor any other kind of audit assurance on this subject.

In connection with our audit, our responsibility is to read the Other information and determine whether the Other information

- is materially inconsistent with the Compensation Report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If we conclude on the basis of the work we have performed that there is a material misstatement of this Other information, we are required to report that fact. We have no findings to report on this subject.

Intended purpose of the Independent Auditor's Report

We issue this Independent Auditor's Report on the basis of the engagement agreement concluded with the Company. The audit was performed for purposes of the Company and the Independent Auditor's Report is only intended to inform the Company about the results of the audit.

Liability

This Independent Auditor's Report is not intended for third parties to make (financial) decisions on this basis. We are solely responsible to Bayer Aktiengesellschaft, Leverkusen, and our responsibility is also limited by the engagement agreement concluded with the Company on November 11/14, 2021 and by the "General Terms of Engagement for German Public Auditors and German Public Audit Firms" in the version of January 1, 2017 of the Institut der Wirtschaftsprüfer in Deutschland e.V. However, we do not accept or assume any responsibility to third parties.

Munich, February 23, 2022

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed: Prof. Dr. Frank Beine

Signed: Michael Mehren

Wirtschaftsprüfer

Wirtschaftsprüfer

(German Public Auditor)

(German Public Auditor)

As of the date of the Notice convening the Annual Stockholders' Meeting, the following documents in particular, shall be available together with this Notice at www.bayer.com/stockholders-meeting

- The annual financial statements (including the proposal of the Board of Management for the use of the distributable profit), the consolidated financial statements, the combined management report and the report of the Supervisory Board, in each case for the fiscal year 2021 (Agenda Item 1), together with the explanatory report by the Board of Management on takeover-related information, which forms part of the combined management report for the fiscal year 2021,
- Curricula vitae of Dr. Paul Achleitner, Dr. Norbert W. Bischofberger and Colleen A. Goggins including further information relevant to the proposed elections to the Supervisory Board (Agenda Item 4),
- Revised Control and Profit and Loss Transfer Agreement between the Company and Bayer Chemicals GmbH, the Joint Report of the Company's Board of Management and the management of Bayer Chemicals GmbH on the Control and Profit and Loss Transfer Agreement, the annual financial statements of the Company and Bayer Chemicals GmbH and the combined management reports of the Company and the Bayer Group, in each case for the last three fiscal years (Agenda Item 6).

These documents will also be available during the Annual Stockholders' Meeting.

Total number of shares and voting rights

On the date of the Notice convening the Annual Stockholders' Meeting, the Company's capital stock was composed of 982,424,082 registered shares (no-par value shares), each of which conveys one

vote.

Virtual Annual Stockholders' Meeting without the physical presence of stockholders or their proxy holders

Pursuant to Section 1, Paragraphs 1, 2 and 6 of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic (version valid as of September 15, 2021; COVID-19 Act for short), the Board of Management has resolved – with the approval of the Supervisory Board – that the Annual Stockholders' Meeting be held in the form of a virtual Meeting without the physical presence of stockholders or their proxy holders. This decision was based on the specific course of the pandemic and the number of participants that could be expected to attend if the Annual Stockholders' Meeting were held with the physical presence of stockholders and their proxy holders.

Holding the 2022 Annual Stockholders' Meeting in the form of a virtual meeting under the COVID-19 Act results in modifications to Meeting procedures and stockholders' rights. The Annual Stockholders' Meeting will take place on the Company's business premises in 51373 Leverkusen, Germany, Kaiser-Wilhelm-Allee 1b, in the presence of the Chairman of the Supervisory Board, the Chairman of the Board of Management, and possibly further members of the Supervisory Board and the Board of Management, and a notary charged with keeping the record of the proceedings. There will be no physical attendance by stockholders or their proxy holders (with the exception of the proxy holders designated by the Company). There will be video and audio transmission of the full Annual Stockholders' Meeting on the internet. Stockholders or their proxy holders can exercise voting rights only by means of postal voting or by appointing the proxy holders designated by the Company as (substitute) proxy holders and issuing instructions to them. The envisaged votes on agenda items 1 to 4 and 6 and 7 are binding and the envisaged vote on agenda item 5 is advisory; it is possible in each case to vote in favor or against or abstain or to refrain from voting. Stockholders will be able to submit questions by electronic means. Furthermore, stockholders who have exercised their voting rights may declare an objection to resolutions of the Meeting by electronic means.

In view of the special features of a virtual Annual Stockholders' Meeting, we would ask stockholders to pay particular attention to the following information on registering, exercising their voting rights and other stockholder rights.

All times indicated in this Notice are in Central European Time (CET) up to and including March 26, 2022, and in Central European Summer Time (CEST) as of March 27, 2022. In terms of Coordinated Universal Time (UTC), UTC = CET minus one hour, and UTC = CEST minus two hours.

Participation in the virtual Annual Stockholders' Meeting and exercise of voting rights

Only those stockholders who are entered in the share register and have registered by the required date to participate in the virtual Annual Stockholders' Meeting are eligible to do so and to exercise voting rights. **Registrations** to participate in the Meeting must be received by the Company at the latest by 24:00 on Friday, April 22, 2022, at the following postal address or email address:

Bayer Aktiengesellschaft

c/o Computershare Operations Center

80249 Munich, Germany

Email: anmeldestelle@computershare.de

or submitted electronically by using the password-protected Annual Stockholders' Meeting internet service (hereinafter "**Stockholders' Portal**") at www.stockholders-portal.bayer.com and following the instructions given there.

Access authorization is necessary to use the "Stockholders' Portal". The information required to access the "Stockholders' Portal" (stockholder number and individual access number) will be sent with the Annual Stockholders' Meeting documents. Stockholders who have registered with a password they have created themselves to receive the Notice of the Annual Stockholders' Meeting electronically are to use this password instead of the individual access number. The registration function for the Annual Stockholders' Meeting and further functions related to the Annual Stockholders' Meeting are expected to be available on the "Stockholders' Portal" from Friday, April 1, 2022. Only stockholders entered in the share register by Friday, April 8, 2022, 0:00, at the latest, can be guaranteed access to the "Stockholders' Portal". Other options for registering to participate in the Annual Stockholders' Meeting are available to stockholders who are entered in the share register at a later date.

Pursuant to Section 67, Paragraph 2, Sentence 1 of the AktG, stockholders' rights and obligations in

relation to the Company only apply to those entered in the share register. The entry status of the stockholders in the share register on the date of the Annual Stockholders' Meeting therefore determines eligibility to attend and the number of voting rights they are entitled to exercise. For technical processing reasons, no transfer entries will be made in the share register in the period from Saturday, April 23, 2022, up to and including the date of the Annual Stockholders' Meeting and the following transfer-free weekend, i.e. up to and including Sunday, May 1, 2022. Consequently, the entry status of the share register on the date of the Annual Stockholders' Meeting will be the status after the last transfer entry on Friday, April 22, 2022. The technical record date is thus the end (i.e. 24:00) of April 22, 2022.

Intermediaries, stockholder associations and voting rights consultants under Section 134a of the AktG, as well as persons with equivalent status under Section 135, Paragraph 8 of the AktG, require an authorization in order to exercise the voting rights for shares of which they are the registered holders, but not the owners. Details relating to this authorization are provided in Section 135 of the AktG.

Further information on the registration process can be found on the registration form sent to stockholders and at www.bayer.com/stockholders-meeting.

Registration to participate in the Annual Stockholders' Meeting shall not block the shares for trading. Stockholders shall therefore remain free to dispose of their shares even after registering to participate in the Meeting. However, since only those stockholders who are entered in the share register on the date of the Annual Stockholders' Meeting shall be deemed to be stockholders of the Company, the disposal of shares may affect eligibility to attend and the entitlement to exercise voting rights.

Exercise of voting rights by a proxy holder

Stockholders' voting rights may be exercised by a proxy holder, in particular by an intermediary, a stockholder association or a voting rights consultant in accordance with Section 134a of the AktG. Registration by Friday, April 22, 2022, 24:00, shall also be required in these cases (see "Participation in the virtual Annual Stockholders' Meeting and exercise of voting rights").

The registration form sent to stockholders may be used to appoint the proxy holders designated by the Company as proxy holders and to issue instructions to them, or to appoint other persons as proxy holders. A sample registration form will be made available to the stockholders at

www.bayer.com/stockholders-meeting. The “Stockholders’ Portal” (see “Participation in the virtual Annual Stockholders’ Meeting and exercise of voting rights”) also includes an (online) form that allows stockholders to issue a proxy and voting instructions to proxy holders designated by the Company or to issue a proxy to a third party when registering.

Stockholders who wish to make use of proxy voting should note the following in particular:

Proxy holders designated by the Company

The Company offers its stockholders an opportunity to appoint proxy holders whom it has designated. The proxy holders designated by the Company will only exercise voting rights on the basis of the issued proxy if they have been issued voting instructions; they are obligated to vote in accordance with the instructions.

Proxies and voting instructions to proxy holders designated by the Company must be issued in text form (Section 126b of the German Civil Code (BGB)).

Proxies and voting instructions to proxy holders designated by the Company may be issued by letter, by email or electronically via the “Stockholders’ Portal”. Registration by Friday, April 22, 2022, 24:00, shall be required in all cases (see “Participation in the virtual Annual Stockholders’ Meeting and exercise of voting rights”).

Proxies and voting instructions issued by letter must have arrived at the postal address indicated below by Thursday, April 28, 2022 (the date the letter is received). Proxies and voting instructions issued by email to the address indicated below must be received by the Company by Thursday, April 28, 2022, 24:00.

Bayer Aktiengesellschaft
c/o Computershare Operations Center
80249 Munich, Germany
Email: anmeldestelle@computershare.de

Proxies and voting instructions may be issued via the “Stockholders’ Portal” (see “Participation in the

virtual Annual Stockholders' Meeting and exercise of voting rights") using the (online) form provided there up to the time when voting begins on the day of the Meeting.

Additional information on the issuance of proxies and voting instructions to proxy holders designated by the Company can also be found on the registration form sent to stockholders.

Appointment of other persons as proxy holders

The following shall apply if a proxy is issued to a person other than a proxy holder designated by the Company and is not subject to the provisions of Section 135 of the AktG (in particular, the appointment of intermediaries, stockholder associations and voting rights consultants under Section 134a of the AktG as proxy holders):

The issuance and cancellation of proxies and the provision of evidence of the appointment of a proxy holder to the Company must be in text form (Section 126b of the BGB). If the proxy is issued or canceled by means of a declaration to the Company, this declaration may be issued in text form (Section 126b of the BGB) by letter to the address indicated above by Thursday, April 28, 2022 (the date the post is received), by email to the address indicated above by Thursday, April 28, 2022, 24:00, or by using the Stockholders' Portal (see "Participation in the virtual Annual Stockholders' Meeting and exercise of voting rights") up to the time when voting begins on the day of the Meeting.

If the proxy is not issued by means of a declaration to the Company, but instead by means of a declaration to the proxy holder, the Company may require evidence of the appointment as a proxy holder unless otherwise specified under Section 135 of the AktG. For electronic communication of evidence of the appointment of a proxy holder, the Company provides for transmission via email to the email address anmeldestelle@computershare.de. The evidence of the appointment of a proxy holder must include either the name, date of birth and address of the stockholder, or the stockholder number, so that it can be correctly allocated to the relevant registration. The name and postal address of the designated proxy holder should also be provided.

In the case of proxies issued within the scope of Section 135 of the AktG (in particular to intermediaries, stockholder associations and voting rights consultants under Section 134a of the AktG), text form is not required under Section 134, Paragraph 3, Sentence 3 of the AktG, nor do the Articles of Incorporation

contain specific provisions for such a case. Consequently, the form in which intermediaries, stockholder associations and voting rights consultants under Section 134a of the AktG, as well as persons with equivalent status under Section 135, Paragraph 8 of the AktG, are issued a proxy need only comply with the statutory provisions applicable to this specific type of proxy, in particular the provisions of Section 135 of the AktG.

Proxy holders can exercise voting rights only by means of postal voting or by appointing the proxy holders designated by the Company as (substitute) proxy holders and issuing instructions to them. Proxy holders will require login details to access the "Stockholders' Portal" (see "Participation in the virtual Annual Stockholders' Meeting and exercise of voting rights"). These are sent to the proxy holder with the proxy card. In order to ensure that proxy holders receive their login details in good time, the declaration to the Company or the proof of the appointment of a proxy holder should be sent to the Company as early as possible. Registration by Friday, April 22, 2022, 24:00, shall be required in all cases (see "Participation in the virtual Annual Stockholders' Meeting and exercise of voting rights").

Exercise of voting rights by postal voting

Stockholders may also cast their votes in writing or electronically without attending the Annual Stockholders' Meeting ("postal voting").

The exercise of voting rights by postal voting may take place by letter, by email or electronically via the "Stockholders' Portal". Registration by Friday, April 22, 2022, 24:00, shall be required in all cases (see "Participation in the virtual Annual Stockholders' Meeting and exercise of voting rights"). Postal votes in writing must have arrived at the postal address indicated below by Thursday, April 28, 2022, (the date the post is received). Postal votes by email to the address indicated below must be received by the Company by Thursday, April 28, 2022, 24:00.

Bayer Aktiengesellschaft

c/o Computershare Operations Center

80249 Munich, Germany

Email: anmeldestelle@computershare.de

It is possible to submit postal votes via the "Stockholders' Portal" (see "Participation in the virtual Annual

Stockholders' Meeting and exercise of voting rights") using the (online) form provided there up to the time when voting begins on the day of the Meeting.

Other information on the exercise of voting rights

Should voting rights be exercised by postal voting or a proxy and voting instructions be issued by the specified deadline through several media (by letter, by email, electronically via the Stockholders' Portal or, pursuant to Section 67c, Paragraph 1 and Paragraph 2, Sentence 3 of the AktG in conjunction with Article 2, Paragraph 1 and 3 and Article 9, Paragraph 4 of the Commission Implementing Regulation (EU) 2018/1212), these shall be considered, irrespective of the point in time when they are received, in the following order: 1. electronically via the Stockholders' Portal, 2. pursuant to Section 67c, Paragraph 1 and Paragraph 2, Sentence 3 of the AktG in conjunction with Article 2, Paragraph 1 and 3 and Article 9, Paragraph 4 of the Commission Implementing Regulation (EU) 2018/1212, 3. by email and 4. by letter.

If declarations are received in the same way using more than one form of exercising voting rights, the following applies: Postal votes take precedence over the issuing of a proxy and instructions to the proxy holders designated by the Company; the issuing of a proxy and instructions to the proxy holders designated by the Company takes precedence over the issuing of a proxy and instructions to an intermediary, a stockholder association, a voting rights consultant pursuant to Section 134a of the AktG or a person equivalent to these pursuant to Section 135, Paragraph 8 of the AktG.

If an intermediary, a stockholder association, a voting rights consultant pursuant to Section 134a of the AktG or a person equivalent to these pursuant to Section 135, Paragraph 8 of the AktG is not prepared to represent the stockholder, then the proxy holders designated by the Company will be regarded as appointed to represent the stockholder in accordance with the latter's instructions.

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 require items to 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 W11

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 on Tuesday, March 29, 2022. Applicants must provide evidence that they have been holders of the shares for at least 90 days preceding the date of receipt of the request and that they will hold the shares until a decision on the motion has been made by the Board of Management.

Additions to the agenda to be announced will be published in the *Bundesanzeiger* (Federal Gazette) and communicated to the stockholders without delay, unless already announced with the Notice of the Meeting. They will also be made available online at www.bayer.com/stockholders-meeting without delay.

Countermotions and proposals for election

Stockholders may submit countermotions and proposals for election relating to items on the agenda to the Company before the Annual Stockholders' Meeting. The Company will make available any countermotions 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, and, in the case of proposals for the election of Supervisory Board members, the statements and information from the Board of Management regarding the composition of the Supervisory Board in accordance with 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 on Thursday, April 14, 2022, to the following address

Bayer Aktiengesellschaft

Building Q 26 (Legal Department)

Kaiser-Wilhelm-Allee 20

51373 Leverkusen, Germany

Email: hv.gegenantraege@bayer.com

and the other requirements under Sections 126 and 127 of the AktG have been met.

According to Section 1, Paragraph 2, Sentence 3 of the COVID-19 Act, countermotions within the meaning of Section 126 of the AktG and proposals for election within the meaning of Section 127 of the AktG shall be deemed to be submitted to the Annual Stockholders' Meeting if the stockholder submitting the motion or proposal for election has duly proven their identity and registered for the Annual Stockholders' Meeting.

Option to submit statements for publication before the Annual Stockholders' Meeting

In accordance with the Covid-19 Act, stockholders will not have an opportunity to make verbal statements regarding items on the agenda during the virtual Annual Stockholders' Meeting. However, stockholders will be granted the option – going beyond the requirements of Section 1, Paragraph 2 of the COVID-19 Act – to submit statements relating to the agenda, which correspond to a verbal statement during the Annual Stockholders' Meeting, before the Meeting for publication on the Company's web page www.bayer.com/stockholders-meeting.

Statements may be submitted in text form or as a video electronically via the "Stockholders' Portal" (see "Participation in the virtual Annual Stockholders' Meeting and exercise of voting rights") up until Tuesday, April 26, 2022, 18:00 and must be in German. The statement should not exceed 10,000 characters, and in the case of a video statement, should not exceed two minutes in length. Video statements are permitted only if the stockholder appears and speaks in the video. Further information on submitting statements will be made available on the "Stockholders' Portal". Motions, proposals for election, questions and objections to the resolutions of the Annual Stockholders' Meeting set out in the statements submitted will not be taken into account. These are to be submitted only in the way separately described in this Notice.

There is no legal entitlement to have a statement published. In particular, the Company reserves the right not to publish statements that have no relevance to the agenda of the Annual Stockholders'

Meeting, or statements, which in their content or presentation, do not correspond to a permissible verbal statement during the Annual Stockholders' Meeting. The same applies to statements that exceed 10,000 characters or, in the case of a video statement, two minutes in length or that have not been submitted by the point in time indicated above as described above, as well as statements that contain content that is insulting, has implications under criminal law, or is clearly incorrect or misleading. Equally, the Company reserves the right not to publish more than one statement in text form and one video statement per stockholder.

Statements submitted in accordance with the above provisions prior to the Annual Stockholders' Meeting will be published together with the name of the stockholder who has submitted the statement on the website www.bayer.com/stockholders-meeting as of Friday, April 15, 2022.

Right to submit questions by electronic means before the Annual Stockholders' Meeting

Pursuant to Section 1, Paragraph 2, Sentence 1, Number 3, Sentence 2 of the COVID-19 Act, stockholders are granted the right to submit questions by electronic means. The Board of Management has decided, with the agreement of the Supervisory Board, that questions are to be submitted by electronic means by no later than one day before the Annual Stockholders' Meeting. Stockholders registered for the Meeting may send their questions to the Company in German by Wednesday, April 27, 2022, 24:00, electronically via the "Stockholders' Portal" (see "Participation in the virtual Annual Stockholders' Meeting and exercise of voting rights"). The Board of Management will decide after due consideration, how to answer questions.

Opportunity to submit follow-up questions by electronic means during the Annual Stockholders' Meeting

Beyond the right to ask questions pursuant to Section 1, Paragraph 2, Sentence 1, Number 3, Sentence 2 of the COVID-19 Act, stockholders will be granted the opportunity to ask follow-up questions.

Stockholders may only ask follow-up questions relating to the questions they themselves submitted electronically via the "Stockholders' Portal" by Wednesday, April 27, 2022, 24:00 and to the answers given by the Board of Management in response. Follow-up questions must be submitted in German electronically via the "Stockholders' Portal" (see "Participation in the virtual Annual Stockholders' Meeting and exercise of voting rights") during the Annual Stockholders' Meeting in the time frame set by the chair.

The right to information as stipulated in Section 131, Paragraph 1 of the AktG does not apply to follow-up questions. However, the Board of Management will try to answer all follow-up questions during the Annual Stockholders' Meeting. The chair of the Meeting may place appropriate time restrictions on the opportunity to ask follow-up questions. In particular, the chair is at liberty, at the beginning of or during the Meeting, to set an appropriate time frame for the individual follow-up questions or the follow-up questions overall.

Objections to resolutions of the Annual Stockholders' Meeting

Pursuant to Section 1, Paragraph 2, Sentence 1, Number 4 of the COVID-19 Act, Stockholders who have exercised their voting rights through postal voting or through the issuance of a proxy are offered the opportunity to file objections to resolutions of the Annual Stockholders' Meeting by way of derogation from Section 245, Number 1 of the AktG and without having to appear at the Meeting in person. Such objections are to be sent to the Company electronically via the "Stockholders' Portal" (see "Participation in the virtual Annual Stockholders' Meeting and exercise of voting rights") and are possible from the beginning of the Meeting until it is closed by the chair.

Further explanatory information and publications on the web page

This Notice, further explanatory information on the rights of stockholders and additional details, including the overview containing information pursuant to Section 125 of the AktG in conjunction with Article 4 and Annex Table 3 of the Commission Implementing Regulation (EU) 2018 /1212 can be found on the Annual Stockholders' Meeting website at www.bayer.com/stockholders-meeting.

Data privacy

Personal data will be processed in connection with the Annual Stockholders' Meeting. Please see www.bayer.com/stockholders-meeting for detailed information on data privacy. Stockholders who appoint a proxy holder are kindly asked to communicate this data privacy information to the proxy holder.

Audio and video broadcast of the entire Annual Stockholders' Meeting

All stockholders of the Company and any interested members of the public can follow the entire Annual Stockholders' Meeting via the internet on Friday, April 29, 2022, from 10:00 at www.bayer.com/stockholders-meeting.

Leverkusen, March 2022

Bayer Aktiengesellschaft

The Board of Management

Masthead**Publisher**

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Forward-Looking Statements:

This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at www.bayer.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.



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