



Notice

of the
Annual Stockholders' Meeting
of Bayer AG
on April 28, 2023

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Bayer Aktiengesellschaft
Leverkusen
– ISIN DE000BAY0017 –

Notice convening the
Annual Stockholders' Meeting
on April 28, 2023,
as a virtual Annual Stockholders' Meeting

We hereby convene our Annual Stockholders' Meeting as a virtual Annual Stockholders' Meeting, without the physical presence of stockholders or their proxy holders at the venue of the Meeting, on Friday, April 28, 2023, at 10:00.

Agenda

1. Presentation of the confirmed annual financial statements and the approved consolidated financial statements, the combined management report of Bayer Aktiengesellschaft and the Bayer Group, 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 2022, 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 2,382,306,539.65 reported in the annual financial statements for the fiscal year 2022, an amount of EUR 2,357,817,796.80 be used to pay a dividend of EUR 2.40 per share carrying dividend rights and the remaining amount of 24,488,742.85 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 2.40 per share carrying dividend rights and the transfer to other retained earnings shall remain unchanged at EUR 24,488,742.85 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 Thursday, May 4, 2023.

The annual financial statements prepared by the Board of Management on February 17, 2023, were approved by the Supervisory Board on February 24, 2023, 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. Resolution on 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 2022 be ratified for this period.

3. Resolution on 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 2022 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 term of office of the stockholders' representative Prof. Dr. Norbert Winkeljohann ends on conclusion of the Annual Stockholders' Meeting 2023. The Supervisory Board member Prof. Dr. Fei-Fei Li, who was elected by the stockholders, already resigned from her office with effect from the end of the day on August 31, 2022, at which time her term of office on the Supervisory Board ended. By a decision of the local court of Cologne on September 1, 2022, Kimberly Mathisen was appointed as a member of the Supervisory Board to succeed Prof. Dr. Li until a new Supervisory Board member is elected by the Annual Stockholders' Meeting.

The Supervisory Board proposes that the following candidates be elected with effect from the end of the Annual Stockholders' Meeting 2023 for the period through to the end of the Annual Stockholders' Meeting that will resolve on the ratification of their actions for the fiscal year 2026:

- 1) **Prof. Dr. Norbert Winkeljohann**, Osnabrück, Germany
Independent Management Consultant

Memberships on statutory supervisory boards:

- Bayer Aktiengesellschaft (Chairman, listed company)
- Bohnenkamp AG (Chairman)

- Deutsche Bank Aktiengesellschaft (Deputy Chairman, listed company)
- Georgsmarienhütte Holding GmbH
- Sievert SE (Chairman)

Memberships in comparable supervising bodies of German or foreign corporations:

- none

2) **Kimberly Mathisen**, Oslo, Norway

Chief Executive Officer of HUB Ocean, Norway

Memberships on statutory supervisory boards:

- Bayer Aktiengesellschaft (listed company)

Memberships in comparable supervising bodies of German or foreign corporations:

- Aker BioMarine ASA, Lysaker, Norway (non-executive member of the Board of Directors, listed company)
- Aize AS, Lysaker, Norway (non-executive member of the Board of Directors)

These proposals by the Supervisory Board are based on the recommendation of the Nomination Committee and take into account the targets determined by the Supervisory Board for its composition, the profile of expertise developed by the Supervisory Board and the diversity concept for the body as a whole. Please note that, if Prof. Dr. Winkeljohann is re-elected, the intention is to elect him once again as Chairman of the Supervisory Board. Prof. Dr. Winkeljohann, who is Chairman of the Nomination Committee, played no part in the committee's recommendation for a resolution to re-elect him.

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).

The Supervisory Board has satisfied itself that Prof. Dr. Winkeljohann and Ms. Mathisen are able to

meet the expected time commitment for performing their Supervisory Board duties, taking into account their seats on other boards. In 2022, Prof. Dr. Winkeljohann attended all meetings of the Supervisory Board and the committees of the Supervisory Board. Ms. Mathisen attended all meetings of the Supervisory Board in 2022 following her appointment by the court as a member of the Supervisory Board on September 1, 2022. Ms. Mathisen did not become a member of any committee of the Supervisory Board following her appointment by the court as a member of the Supervisory Board in 2022.

The Supervisory Board regards Prof. Dr. Winkeljohann and Ms. Mathisen as independent. Beyond the membership of Prof. Dr. Winkeljohann and Ms. Mathisen on the Company's Supervisory Board, the Supervisory Board does not consider there to be any personal or business relationships between Prof. Dr. Winkeljohann and Ms. Mathisen 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 Annual Stockholders' Meeting regarding their election.

Prof. Dr. Winkeljohann has expert knowledge in the field of annual auditing pursuant to Section 100, Paragraph 5 of the AktG and Recommendation D.3 of the German Corporate Governance Code. Further information can be found in the curricula vitae of Prof. Dr. Winkeljohann and Ms. Mathisen, which are available online at www.bayer.com/stockholders-meeting.

5. Resolution on the Approval of the Compensation Report

Pursuant to Section 162 of the AktG, the Board of Management and the Supervisory Board of a listed company are 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 2022 and the auditor's report are presented at the end of this Agenda as an annex to Agenda Item 5. The Compensation Report was audited by the auditor pursuant to Section 162, Paragraph 3 of the AktG with a view to obtaining assurance that the legally required information pursuant to Section 162, Paragraphs 1 and 2 of the AktG had been provided. The auditor also conducted an audit of the content beyond the legal requirements.

The Board of Management and the Supervisory Board propose that the Compensation Report for the fiscal year 2022 prepared and audited in accordance with Section 162 of the AktG be approved.

6. Resolution on authorization of the Board of Management to provide for the holding of virtual Annual Stockholders' Meetings (amendment of Article 13 of the Articles of Incorporation)

The newly introduced Section 118a, Paragraph 1, Sentence 1 of the AktG makes it possible to include a provision in the Articles of Incorporation such that or to authorize the Board of Management to provide that the Annual Stockholders' Meeting be held without the physical presence of the stockholders or their proxy holders at the venue of the Meeting (virtual Annual Stockholders' Meeting). Section 118a, Paragraph 5 of the AktG provides that such an authorization in the Articles of Incorporation is permitted for a period of no longer than five years after it has been entered in the commercial register.

It is intended to adopt such an authorization in the Articles of Incorporation of Bayer Aktiengesellschaft. The Board of Management and the Supervisory Board are of the view that over the past three years, in which the Annual Stockholders' Meetings were held as virtual events due to pandemic-related restrictions, the format of a virtual Annual Stockholders' Meeting has generally proved successful. The virtual Annual Stockholders' Meeting as it is now provided for on a permanent basis by Section 118a of the AktG significantly extends the rights of stockholders in comparison to the previous temporary forms of virtual Annual Stockholders' Meetings envisaged since 2020. These rights are now largely in line with stockholders' rights at Annual Stockholders' Meetings attended in person. The new form of virtual Annual Stockholders' Meeting envisages direct discussion between stockholders and management during the Meeting by means of video communication to bring it in line with Annual Stockholders' Meetings attended in person. In particular, shareholders have the right to submit motions and proposals for election and the right to speak during the virtual Annual Stockholders' Meeting. In addition, stockholders have the right to obtain information. When holding virtual Annual Stockholders' Meetings, Bayer does not plan to permit questions to be submitted prior to the Meeting and thereby limit the scope for the submission of questions in the notice convening the Meeting. Nonetheless, there may be reasons for conducting Annual Stockholders' Meetings in person and not making use of the possibility of holding virtual Annual Stockholders' Meetings. Before convening an Annual Stockholders' Meeting, the Company will consider on each occasion whether it is to be held as a virtual Annual Stockholders' Meeting or as an Annual Stockholders' Meeting attended in person. When deciding on the format of the Annual Stockholders' Meeting, the Board of Management will take into account, inter alia, the items on

the agenda, the objective of achieving the broadest possible stockholder participation, cost aspects, matters pertaining to health protection, and sustainability considerations. The provision in the Articles of Incorporation authorizing the Board of Management to hold virtual Annual Stockholders' Meetings will remain in force for a period of two years after it has been entered in the commercial register. This gives stockholders the opportunity to decide in a timely fashion whether the provision has proved successful from their perspective.

The Board of Management and Supervisory Board therefore propose the following resolution for adoption:

A paragraph 2 shall be added to Article 13 of the Company's Articles of Incorporation (Place of the Stockholders' Meeting), whereby the previous sentence 1 of Article 13 becomes paragraph 1 and Article 13 as a whole is reformulated as follows:

“§ 13 Place of the Stockholders' Meeting

- (1) The Stockholders' Meeting shall be held at the Company's registered office or in a German city with over 100,000 inhabitants.
- (2) The Board of Management is authorized to provide that the Stockholders' Meeting be held without the physical presence of the stockholders or their proxy holders at the place of the Stockholders' Meeting (virtual Stockholders' Meeting). This authorization applies for a period of two years following entry of this provision into the Articles of Incorporation in the Company's commercial register. All provisions of these Articles of Incorporation for Stockholders' Meetings apply to the virtual Stockholders' Meeting, including Article 16 paragraph 3, insofar as the law does not stipulate otherwise or no provision is expressly made otherwise in these Articles of Incorporation.”

7. Resolution on the ability of members of the Supervisory Board to participate in virtual Annual Stockholders' Meetings by means of video and audio transmission (amendment of Article 15 of the Articles of Incorporation)

Pursuant to Section 118, Paragraph 3, Sentence 2 of the AktG, the Articles of Incorporation may provide for certain cases in which members of the Supervisory Board may participate in the Annual Stockholders' Meeting by means of video and audio transmission. With the exception of the chair of the

Meeting, the members of the Supervisory Board do not play an active role in the Annual Stockholders' Meeting and cannot interact in person with the stockholders at a virtual Annual Stockholders' Meeting. It is therefore justified in the view of the Board of Management and Supervisory Board that, with the exception of the chair of the Meeting, the members of the Supervisory Board are permitted to attend virtual annual Stockholders' Meetings by means of video and audio transmission. Participation by the members of the Supervisory Board by means of video and audio transmission has no effect on the stockholders and their rights, but entails less effort and expense and is more sustainable as it obviates the need to travel.

The Board of Management and Supervisory Board therefore propose the following resolution for adoption:

The following paragraph 5 shall be added to Article 15 of the Company's Articles of Incorporation (Right of Attendance):

“(5) In the case of virtual Stockholders' Meetings it is permitted for members of the Supervisory Board to attend by means of video and audio transmission.”

8. 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 2023, and also as the auditor for the review, if applicable, of the condensed financial statements and interim management report as of June 30, 2023, and, if applicable, of the condensed financial statements and interim management reports as of September 30, 2023, and March 31, 2024, if these are prepared.

Compensation report on the compensation of the members of the Board of Management and of the Supervisory Board (with foreword) including the audit report of the auditor (annex to Agenda Item 5)

1. Foreword by the Chairman of the Supervisory Board

Dear stockholders,

On behalf of the Supervisory Board and Board of Management of Bayer AG, I am pleased to present our 2022 Compensation Report.

In addition to providing an introductory summary of the company's performance in 2022 and the resulting Supervisory Board decisions on Board of Management compensation, I would also like to explain the measures that the Supervisory Board has initiated in response to last year's disappointing vote on the 2021 Compensation Report.

Performance in 2022

First of all, I'm pleased to report that 2022 was a highly successful year for our company despite unexpected challenges in supply security at our production sites, supply chain disruptions and the war in Ukraine. We exceeded our initial Group guidance for sales and earnings growth, and are now already within the corridor of the medium-term targets we announced for 2024. This is mainly thanks to agricultural markets developing much better than expected, as well as to growth in the Consumer Health business, which again considerably outperformed the market.

Short-term incentive (STI)

The very strong performance of the Crop Science and Consumer Health divisions led to target-attainment levels of 200% (cap) and 138.3%, respectively, for the divisional component. By contrast, the Pharmaceuticals Division did not meet its growth targets, due in part to unexpected COVID-19-related effects in China and headwinds in parts of its women's health business in the United States. As a result, the incentivized STI target attainment for the division came in at 8.8%, and thus below target.

The Bayer Group's strong operational performance was also reflected in core earnings per share, which came in at €7.94. The target value was therefore exceeded by a significant margin, with attainment of 200% (cap).

Free cash flow came in at €3.1 billion in 2022, which is in line with our guidance. However, the stretched incentivized free cash flow target was missed, resulting in incentivized performance of just 60% of the target value for this component.

The Supervisory Board also evaluated the need for any discretionary adjustments to account for factors outside the ordinary course of business in 2022. The circumstances surrounding the additional provisions for the settlement with the US state of Oregon over PCBs were examined closely, but there was no reason to consider any intervention with respect to Board of Management compensation. The significant divestment gains from the sale of the Environmental Science Professional business and the Nebido™ product were not part of incentivized performance.

Finally, the Supervisory Board evaluated attainment levels for the qualitative Group targets and for the individual targets set for each Board of Management member. Among other things, the focus was on efforts to improve capital market-related activities and the performance of Bayer stock, pipeline development, progress in the liability litigations, transformation programs and the sustainability goals. Overall, the Board of Management performed very well in this respect, too. Based on the pre-defined targets and attainment criteria, performance yielded a strong target attainment.

However, in consultation with the Chairman of the Board of Management, the Supervisory Board reduced his individual performance factor by 14 percentage points. The Supervisory Board and Chairman of the Board of Management did so to take into account the stockholder feedback received during the governance roadshows held last year.

As a result, the Board of Management's average target attainment for the STI was 129.5% overall, compared with 175.47% in 2021.

Long-term incentive (LTI)

The long-term stock-based compensation (LTI) granted in 2019 under Aspire 2.0 was paid out. Bayer stock performed well in 2022, both in absolute terms and relative to the EURO STOXX 50. However, the calculated share price was significantly below the 2019 allocation price, with the stock also underperforming the EURO STOXX 50, the relative performance index, by an even greater margin. Based on the defined calculation method, this meant that the payout achieved (including dividend equivalents) was only 62% of the value of the original allocation. At around 45%, the long-term component accounts for the largest share of the Board of Management members' target direct compensation, helping to ensure strong alignment of Board of Management compensation with shareholder interests and sentiment.

Pay for performance alignment

The Supervisory Board set ambitious target values for the performance criteria. While Bayer had a very strong 2022, the target values agreed for the performance period were only slightly exceeded overall. Despite average STI target attainment being above the target value, target direct compensation (base salary plus variable components) was missed due to the low attainment on the LTI. The average direct compensation awarded to the Board of Management in 2022 amounted to 87.3% of target direct compensation, compared with 92.4% in 2021 and 46.8% in 2020.

Response by the Supervisory Board and Human Resources Committee to the vote on the Compensation Report at the 2022 Annual Stockholders' Meeting

The Board of Management compensation system currently in effect was approved by a large majority of our investors (94.02%) at the 2020 Annual Stockholders' Meeting. However, the 2021 Compensation Report was endorsed by only 24.11% of our investors at the 2022 Annual Stockholders' Meeting, and was thus rejected.

- Following the 2022 Annual Stockholders' Meeting, the Supervisory Board responded to the outcome of the vote by producing an action plan for the period running up to the 2023 Annual Stockholders' Meeting. Covering relevant topics within the existing compensation system, the action plan is based on a detailed review and analysis of feedback, as well as extensive discussions with stockholders representing approximately half of the outstanding shares held by institutional investors. I participated personally in around three-quarters of these discussions so that I could listen to their

views and opinions directly. The action plan outlines Bayer's response to the feedback concerning the compensation results as well as specific measures to improve transparency and account for the expectations of our stockholders. Please refer to Chapter 3.1.2 for further details.

To improve our compensation governance practices, we took the following additional steps:

- We expanded the role of the Human Resources Committee, which has been renamed the Human Resources and Compensation Committee, to meet the increased requirements with respect to succession planning and compensation-related tasks.
- We established new process steps with respect to target-setting, target attainment and succession planning, while also optimizing the interfaces to other relevant committees, such as the Audit and ESG committees. See Chapter 3.1.3 for more information.
- We increased the size of the Human Resources and Compensation Committee, with the Vice Chairwoman of the Supervisory Board and the Chairman of the Audit Committee becoming additional members.

Further aspects relating to Board of Management compensation

The Supervisory Board did not increase the compensation of the Board of Management in 2022. The changes shown in the Board of Management compensation tables relate solely to the annualized effects of the compensation increase implemented in the fourth quarter of 2021, which was based on a benchmark review that had been carried out for the first time since 2018.

Outlook for 2023

The targets set for 2023 continue to focus on key value drivers in operational performance, innovation and sustainability goals, and further progress in the product liability cases. They are ambitious in the context of the respective market and competition situations of the divisions, and also in terms of the qualitative targets for the Board of Management and management. All operational targets are geared toward increasing the company's value and seeing this reflected in a further improvement in its share price.

We will review the compensation system for the Board of Management over the course of 2023 before putting it to the vote at the 2024 Annual Stockholders' Meeting.

On behalf of both the Supervisory Board and the Board of Management, I would like to thank our stockholders for their feedback and engagement. We will maintain this close dialogue in 2023 and look forward to hearing your feedback.

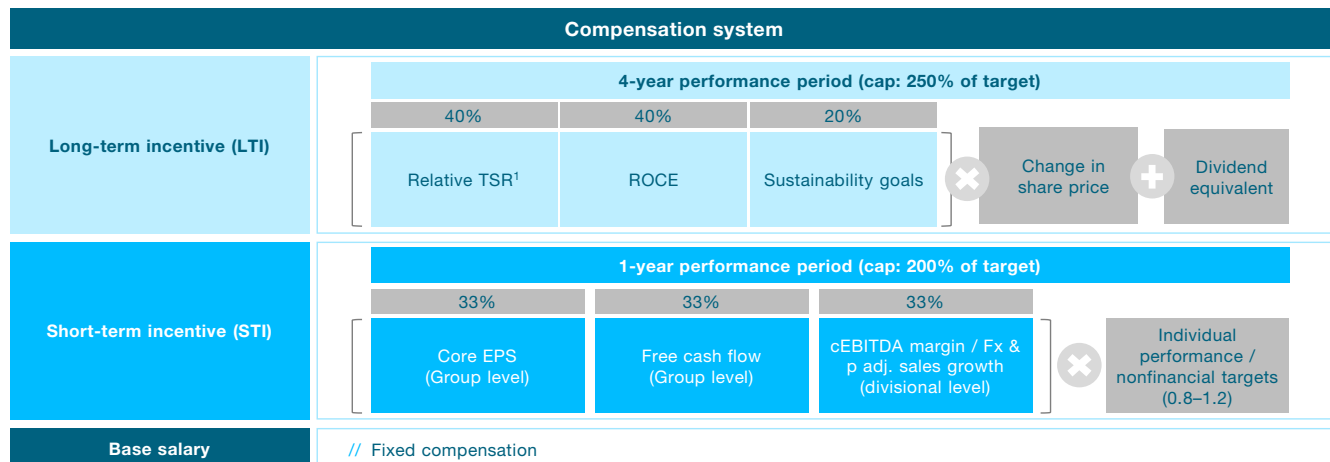
Prof. Dr. Norbert Winkeljohann

Chairman of the Supervisory Board

2. Overview of Compensation in 2022

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Executive Summary



¹ Total shareholder return relative to the EURO STOXX 50 TR benchmark index

Actual performance against 2022 targets

Short-term incentive (STI) ²		Long-term incentive (LTI) ³	
	target attained/max		target attained/max
Core EPS:	200/200	Relative TSR:	57/200
Free cash flow:	60/200	Share price development:	-17%
cEBITDA margin / Fx & p adj. sales growth:	108/200	Accumulated dividends per share:	€9.60
Performance factor:	95/120		
Total:	117/200	Total:	62/250
CEO payout (€m):	1.9/3.2	CEO payout (€m):	1.7/7.1

² For definition and information on target attainment, see Chapter 3.3.2. For individual target attainment (performance factor) and target attainment at divisional level (cEBITDA margin / Fx & p adj. sales growth), the CEO is shown (rounded).

³ LTI metrics differ from current compensation system as the LTI plan for the 2019–2022 performance period is based on the Aspire 2.0 design; see Chapter 3.3.2.

CEO compensation 2020–2022

The following graphic shows the target compensation and the compensation payout (base salary and variable compensation)⁴ for the CEO⁵:



Since 2020, the actual payout to the CEO has been on average 18% below target.

⁴ Excluding fringe benefits and pension installment/service cost. For definition and components of the compensation paid out, see Chapter 3.3.

⁵ LTI metrics differ from current compensation system as the LTI plan for the 2019–2022 performance period is based on the Aspire 2.0 design; see Chapter 3.3.2.

3. 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 2022. 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 April 28, 2022, 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 28, 2023, resolve on the approval of the prepared and audited Compensation Report.

3.1 Review of 2022

3.1.1 Performance in 2022

Global economic growth slowed significantly in 2022, in part due to the impact of the war in Ukraine, which included rising prices and lingering energy supply concerns.

The particular challenges faced by our company included navigating the impact of the COVID-19 pandemic, sourcing alternative forms of energy and maintaining stable supply chains to ensure product supplies to farmers and healthcare systems.

Within this challenging market environment, the Bayer Group was able to significantly increase its sales to €50,739 million. Crop Science sales rose substantially against the prior year (+15.3% Fx & portfolio adj.¹), with growth in all regions. Sales at Pharmaceuticals advanced year on year (+0.6% Fx & portfolio adj.¹), with strong performance by Eylea™, our radiology business and our new products Nubeqa™ and Kerendia™ more than offsetting declines due to additional tender

procedures in China, among other factors. Consumer Health reported encouraging sales growth (+7.4% Fx & portfolio adj.¹), with gains across all regions and categories.

¹ Due to the hyperinflation-related growth in Argentina and Turkey, currency- and portfolio-adjusted sales growth was adjusted by minus 0.4 percentage points for Crop Science, minus 0.5 percentage points for Pharmaceuticals, and minus 1.0 percentage points for Consumer Health when determining target attainment.

EBITDA before special items of the Bayer Group increased by a substantial 20.9% to €13,513 million, with the EBITDA margin before special items rising to 26.6% from 25.4% in the previous year. The Crop Science Division posted a significant increase in EBITDA before special items (margin: 27.3%) thanks to improved business performance. Ongoing efficiency programs also provided additional contributions, underlining their successful implementation. Pharmaceuticals increased its EBITDA before special items (margin: 30.5%) due to higher sales and, to a lesser extent, income from the sale of noncore businesses. At Consumer Health, EBITDA before special items advanced (margin: 22.5%) as a result of the substantial sales growth and the division's successful cost and price management efforts.

Incentivized free cash flow came in at €4,276 million in 2022, giving a target attainment level of 60%. This fell short of our ambitious target, which was missed due to inflation effects within working capital, among other factors. Core earnings per share amounted to €7.94, significantly exceeding both the prior-year figure and our capital market guidance. This was mainly due to the strong earnings contribution from the Crop Science Division. The strong operational performance in 2022 was reflected in the Board of Management's short-term variable compensation (STI).

3.1.2 Response to the vote on the 2021 Compensation Report at the 2022 Annual Stockholders' Meeting

In 2020, the compensation system for the Board of Management was presented to the Annual Stockholders' Meeting according to the applicable regulations under the act transposing the second EU Shareholder Rights Directive into German law (ARUG II), and was approved by a large majority (94.02%) of investors. However, the 2021 Compensation Report was endorsed by only 24.11% of the participating stockholders when it was submitted to a vote at the 2022 Annual Stockholders' Meeting. The Supervisory Board acted on these voting results following the Annual Stockholders' Meeting by developing an action plan for the period running up to the 2023 Annual Stockholders' Meeting and beyond. This action plan was also discussed with stockholders in order to gain a better understanding of their specific feedback and criticism.

This action plan comprises, for example, Bayer's response to the criticism aimed at the compensation as well as the development of specific actions to improve transparency and better account for stockholders' expectations. The main steps taken by the Supervisory Board and by the Human Resources and Compensation Committee were as follows:

- Analysis of the criticism voiced by investors and proxy advisors, differentiating between criticism of the system itself and its application
- Review of the existing system and analysis of current market trends
- Engagement Roadshow with investors in October 2022
- Drafting of an action plan encompassing specific measures, commitments and disclosure for the future

We are addressing the feedback we received with our action plan, as outlined below:

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Investor Focus Areas and Actions Taken in Response

Area of focus	Investor feedback and Bayer's responsive actions
Compensation system	<p>Investors indicated there was no need to change the general compensation system in 2023, but expect Bayer to take investor feedback into account for the 2024 system changes.</p> <p>// Bayer will continue to engage in extensive dialogue with investors to understand their views on the system, and will incorporate feedback from investors and proxy advisors into the modified compensation system that will be subject to a stockholder vote in 2024.</p>
Target-setting process	<p>Some stockholders shared their view that the target-setting process was not sufficiently challenging, in part due to a lack of alignment with the capital market guidance.</p> <p>// When setting targets, the Supervisory Board has always taken into account planning values and external parameters such as market growth forecasts, competition information, analysts' expectations and other factors that can have a significant impact on the opportunity and risk profile for the financial year.</p> <p>// From 2022, the Supervisory Board ensures that, as a basic principle, the targets set for all KPIs are in line with the capital market guidance.</p>
Use of discretion	<p>Some stockholders raised concerns about the Supervisory Board's perceived use of discretion to exclude the impact of certain items such as litigation costs from the payout calculation.</p> <p>// The Supervisory Board did not make any discretionary adjustments or decisions outside of the system-based individual performance evaluation of the Board of Management members.</p> <p>// Bayer ensures that target-setting and attainment are always based on the same, consistent principles. To ensure an appropriate incentive to drive performance, significant unplanned and nonrecurring extraordinary effects – positive and negative – are excluded from both the relevant target and the payout calculation (see 3.2.3).</p> <p>// With respect to 2022, the Supervisory Board determined, in cooperation with external compensation consultants, that excluding payments in the context of certain ongoing litigations is in line with market practice. By adopting this approach, the Supervisory Board ensures that the Board of Management is motivated, incentivized and compensated for operational performance factors that are within its control.</p> <p>Some stockholders asked why the Supervisory Board did not intervene on a discretionary basis to reduce the 2021 payout.</p> <p>// When operationalizing the compensation system approved at the 2020 Annual Stockholders' Meeting, great importance was attached to avoiding discretionary performance adjustments as far as possible. The current compensation system does not permit the Supervisory Board to make any discretionary intervention in that sense beyond the malus and clawback provisions already in place.</p> <p>// In consultation with the Chairman of the Board of Management, the Supervisory Board therefore reduced his individual performance factor by 14 percentage points. The Supervisory Board and the Chairman of the Board of Management did so to take into account the stockholder feedback received during the governance roadshows last year.</p> <p>// In consideration of investor feedback and the desire to more closely align payouts with the stockholder experience, the Supervisory Board will have limited use of discretion in the individual performance evaluation for 2023.</p> <p>// A more comprehensive right of intervention will be developed for the compensation system that will be subject to a stockholder vote in 2024. Bayer will always provide transparent reporting on discretionary intervention.</p>
Pension costs	<p>Some stockholders expressed concern that legacy defined contribution plans would result in inflated service costs, which is not in line with market practice.</p> <p>// There was no discretionary intervention or adjustment to the pension commitment by the Supervisory Board. The increased service cost for the pension of Werner Baumann was as a result of accounting effects, in particular from the change in actuarial assumptions, such as the discount rate.</p> <p>// Going forward, the Compensation Report will include enhanced disclosures regarding factors impacting service costs.</p>

Investor Focus Areas and Actions Taken in Response

Area of focus	Investor feedback and Bayer's responsive actions
Timing of payments for departing Board of Management members	<p>Stockholders had concerns around what they believed to be the early payment of all outstanding LTI tranches for a departing Board of Management member.</p> <p>// There was no discretionary intervention by the Supervisory Board. Bayer has not made any early LTI payments prior to the original planned payout date, and will not do so moving forward either.</p> <p>// At the time of the Board of Management member's departure, all current LTI tranches had been fully vested and were reported in full as awarded compensation pursuant to the activity-related (i.e. not payment-based) interpretation of accounting rules under Section 162 of the AktG.</p> <p>// Moving forward, the Compensation Report will include enhanced disclosures regarding the approach to payments for outgoing Board of Management members</p>
Transparency	<p>Stockholders called for greater transparency in the compensation process.</p> <p>// The Supervisory Board has taken extensive measures, with a particular focus on:</p> <ol style="list-style-type: none"> 1. Developing a framework and principles to support a clear approach in setting targets, applying adjustments, and measuring and evaluating performance. 2. Defining processes to ensure target-setting and performance measurement better reflect stockholder expectations, e.g. by aligning the objectives with the external capital market guidance. 3. Enhancing disclosure around the decisions taken by the Supervisory Board. <p>// As a result, the target-setting and attainment process was presented in a more robust and transparent manner (see 3.2.3) and the work of the Human Resources and Compensation Committee has been aligned more closely with international standards (see 3.1.3).</p> <p>// In the 2022 Compensation Report, the Foreword by the Chairman of the Supervisory Board was expanded to include an explanation and summary that clearly illustrate how the company's performance is aligned with Board of Management compensation.</p>

3.1.3 Composition of the Human Resources and Compensation Committee

The Human Resources and Compensation Committee's primary task is to prepare human resources and compensation decisions to be made by the full Supervisory Board, and to deliberate on the long-term succession planning for the Board of Management. In view of the increasing requirements, the committee was strengthened with the addition of the Chairman of the Audit Committee and the Vice Chairwoman of the Supervisory Board to its ranks, taking its membership to six in total.

In addition, a detailed process was developed and established in 2022 to make the work of the Committee even more robust. New process steps and regular committee meetings were added over the course of the year, while also ensuring the involvement of other relevant committees, such as the Audit and ESG committees.

In summary, the work of the Human Resources and Compensation Committee going forward will focus on various topics relating to Board of Management matters, including both current focal points and areas that will be afforded greater emphasis in the future:

- Reviewing and establishing compensation levels and structure
- Reviewing and refining the compensation system
- Reporting and compiling reports on compensation matters

- Setting targets and monitoring performance criteria for variable compensation
- Assessing performance for variable compensation (STI/LTI)
- Succession planning

3.1.4 Establishment of Board of Management compensation for 2022

Compensation is designed to be in alignment with the company's performance while also reflecting the stakeholder experience. Against this backdrop, the Supervisory Board reviews whether compensation levels are in need of adjustment, and also examines the short-term incentive (STI) payments that would mathematically arise based on the compensation system and the targets defined prior to the start of the year.

Outcome of the compensation review in 2022

The Supervisory Board did not increase the compensation of the Board of Management in 2022. It looked into current market developments and decided not to make any adjustments for 2022 despite the existing gaps compared to the benchmark group.

Compensation was last increased in October 2021 based on an external expert report on the market, after the previous market-based adjustment had been undertaken around five years ago. As the compensation increase came into effect during the course of the year, it was only partially reflected in the target and actual compensation levels for 2021. By contrast, target compensation for 2022 includes the full effect of the adjustments made in 2021, as shown in the tables later in this report. As part of the same resolution, 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, with effect from January 1, 2022. This aligned the compensation structure for the Board of Management members even more closely to the long-term performance of the company and its share price, and thus also the interests of our stockholders.

Extraordinary developments

The Supervisory reviewed the potential special effects arising from the provisions established for PCBs in connection with the US state of Oregon's liability claims, and concluded they were not performance-

relevant with respect to operational performance and outside of the Board of Management's control in the financial year.

C 3.1/2

Considerations of the Human Resources and Compensation Committee

Factor	Review conclusions
Financial impact	The Supervisory Board deemed the negative financial impact of the PCB litigations to be so significant that it warranted a closer examination of potential measures beyond the standard practice. As part of the PCB litigations, Bayer has broad indemnity claims against PCB customers and is enforcing these claims in court and through ongoing negotiations. In view of this, and due to accounting rules, the negative impact on earnings and cash flow may only be of a temporary nature.
Individual performance and the role of Board of Management members	The Supervisory Board assessed whether the Board of Management had sufficiently evaluated the legal risk relating to PCBs when reaching the decision to acquire Monsanto. An external legal opinion concluded that, with respect to liability risks in connection with PCBs, the Board of Management members had acted in line with their duties under the business judgment rule when deciding to conclude the merger agreement with Monsanto. In the course of assessing the litigation risk in the US state of Oregon, the Board of Management decided to pursue a settlement in the interests of the company and its stockholders. Comprehensive analyses were conducted and approved by the Supervisory Board. Five of the six Board of Management members were not members of the Board of Management of Bayer at the time Monsanto was acquired and therefore played no active role in the acquisition.
Supporting the strategy	From a strategic point of view, concluding the merger agreement with Monsanto was the correct business decision to make. The Board of Management reached its decision based on an appropriate amount of information, and it was the best-possible decision to support Bayer's long-term development.
Impact of external developments	The potential PCB-related legal risks arising from the acquisition of Monsanto were known from the onset and were evaluated. Legal risks of this nature cannot be completely ruled out in corporate acquisitions.
Compensation structure	The development of the PCB litigations is reflected in the performance of Bayer stock, and therefore has a negative impact on the LTI payout. It also has an adverse effect on the shares held as part of the Share Ownership Guidelines. However, the operational performance in the financial year, which is reflected in the STI, is not impacted. Payments in connection with the PCB litigations are not included in the free cash flow KPI, ensuring the same performance measurement criteria are applied when setting targets and establishing target attainment. This approach is standard market practice for litigations, and is essential to ensuring the effective incentivization of free cash flow.
Neutrality and consistency	We have applied the same approach as in previous years, with no negative adjustments made to the formula-based results for short- and long-term variable compensation.

3.2 Design of Board of Management compensation

The Supervisory Board sets the Board of Management's compensation pursuant to Section 87, Paragraph 1 of the AktG. 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.

The Supervisory Board applies the following guidelines and principles when designing the compensation system:

C 3.2/1

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 	<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

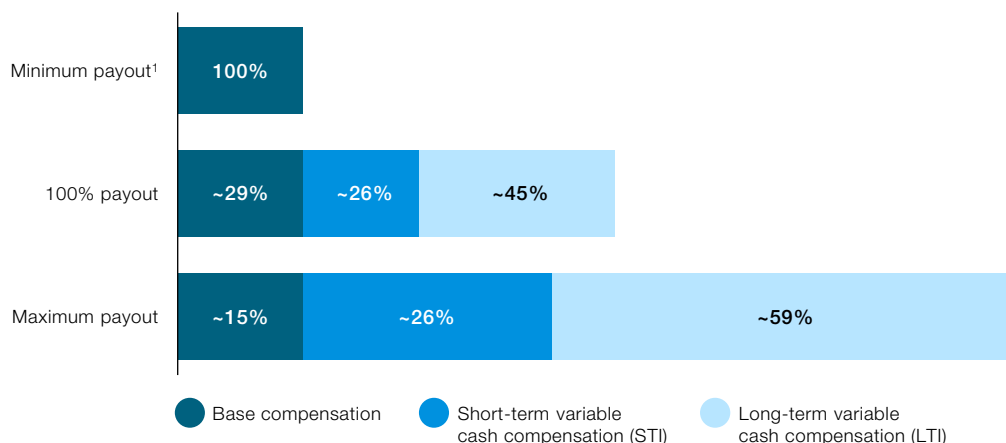
The section below provides an overview of the compensation system in place for the Board of Management. A detailed description of the compensation system can be found at www.bayer.com/cpr and in Chapter 3.3 “Compensation components in detail.”

3.2.1 Design of the compensation system

The total compensation of the members of the Board of Management of Bayer AG comprises fixed and variable components. Over 70% of the contractually agreed target direct compensation is performance-based:

C 3.2/2

Design of Board of Management Compensation (Target Direct Compensation)



Scenario ²	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 For the sake of simplicity, the minimum payout shown here is 100% of base compensation, even though dividends already paid out for each virtual share in the respective 4-year LTI performance period would additionally have to be included.

² In isolated cases, the specific, individual compensation structure in a fiscal year may deviate slightly from the structure presented above due to compensation adjustments made during the course of the year.

Board of Management Compensation System for 2022

Compensation component	Design
Base compensation	// Fixed, contractually agreed compensation // Paid out in monthly installments
Short-term variable cash compensation (STI)	The payout after one year is calculated based on the target amount at the end of the year 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: Clean EBITDA margin and 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 after four years is calculated based on target attainment at the end of 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 AG 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
Fringe benefits	// Regular health screening // Insurance policies // Company car with driver/corresponding budget // 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
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 in or 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**3.2.2 Setting compensation levels**

The Supervisory Board reviews the individual compensation levels on the basis of the compensation system to ensure that the Board of Management members receive an appropriate level of compensation in line with market rates in the competitive environment. Bayer conducts benchmarking with its comparison groups at least every three years.

External comparison of compensation

The DAX 40 companies, as well as international competitors that are comparable in terms of size and industry, are taken as a guide when setting compensation levels.

The DAX 40 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 40 in terms of size as measured by sales, number of employees and market capitalization. On this basis, Bayer aims to ensure its relative positioning within the DAX 40 is in the top third in terms of target total compensation. Reviewing compensation levels 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. The international comparison group currently comprises the following companies:

C 3.2/4

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

Development of compensation vs. workforce

In setting Board of Management compensation, the Supervisory Board also takes into account the company's internal compensation structure in Germany. For this purpose, 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, taking into account both the current ratios and the changes in ratios over time:

- The first management level below the Board of Management
- Managerial employees
- The overall workforce
- Nonmanagerial employees

3.2.3 Target-setting and attainment process

The Supervisory Board aims to set ambitious yet attainable targets that are in step with the expectations of investors and the capital market.

- The targets used in the short-term incentive program are based on the main KPIs employed to measure the organization's operational success in the current fiscal year.
- The targets used in the long-term incentive system are aimed at incentivizing long-term value creation. Alongside ROCE and ESG-related KPIs, target attainment is largely dependent on the company's absolute share price development relative to the EURO STOXX 50 Total Return, which serves to ensure close alignment between investor interests and management incentivization.

Using the operational planning as a baseline, the Supervisory Board sets a minimum value, a target corridor, a maximum value and additional benchmarks at the start of each fiscal year. When setting the targets, the Supervisory Board takes into account the planning values, along with the following parameters and updated information not already included in the operational planning:

- Market growth forecasts and competition-related information
- Capital market guidance
- Analyst expectations
- Additional factors that could significantly impact the opportunity and risk profile for the fiscal year

At the start of the year, the Supervisory Board also sets nonfinancial Group targets and individual annual targets for each Board of Management member. The target values for these objectives are also determined on the basis of KPIs where possible.

After the year has ended, the Supervisory Board evaluates the performance of the Board of Management based on the level of target attainment for the individual financial and nonfinancial KPIs. Special factors and significant unplanned and nonrecurring effects are evaluated based on the guidelines in place, ensuring that they are handled consistently when determining target attainment.

Special factors and significant unplanned and nonrecurring effects

Special factors in determining EBITDA before special items and core EPS are described in Chapter 2.3 of the Management Report. In addition, significant unplanned and nonrecurring effects may arise that cannot be planned for with sufficient reliability with respect to their occurrence, timing and magnitude, and that may potentially have a significant impact on operational performance in the performance period. In line with the respective planning assumptions, certain effects can – based on a set catalogue of criteria – be excluded from consideration when measuring target attainment, provided they exceed certain thresholds. The Supervisory Board is responsible for making any such decisions.

In 2022, no adjustments were made due to significant unplanned and nonrecurring effects.

Looking ahead to 2023: How extraordinary developments will be handled

When operationalizing the compensation system approved at the 2020 Annual Stockholders' Meeting, great importance was attached to avoiding discretionary performance adjustments as far as possible. However, the significant volatility in previous years and the potential considerable impact of extraordinary developments such as the COVID-19 pandemic and current political crises have underlined the need for the Supervisory Board to be able to take action in the event of extraordinary developments that go far beyond the ordinary course of business. From 2023, the Supervisory Board will therefore introduce limited discretionary powers as part of the existing system in order to ensure that performance can also be evaluated appropriately based on operational performance when such developments materialize. Discretionary adjustments will then be able to be applied within the narrow scope of the nonfinancial performance factor that forms part of the short-term variable compensation (STI). The approach in place for the aforementioned significant unplanned and nonrecurring effects will remain unchanged. A comprehensive right of intervention will be developed for the compensation system that will be subject to a stockholder vote at the 2024 Annual Stockholders' Meeting. Bayer will always provide transparent reporting on discretionary intervention.

3.3 Compensation components in detail

3.3.1 Base compensation

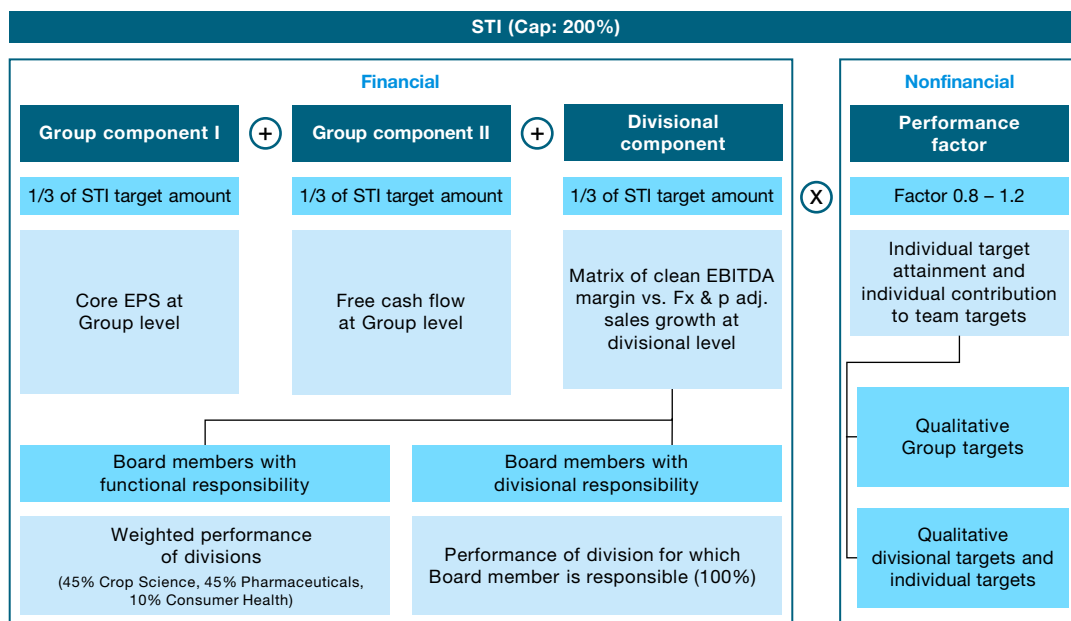
The base compensation is fixed, contractually agreed annual compensation that is paid out in monthly installments within a calendar year. The level of fixed compensation reflects the role on the Board of Management, the area of responsibility and market conditions.

3.3.2 Short-term variable cash compensation (STI) for 2022

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 defined strategic framework. It also sets targeted incentives to increase profitability (core EPS) and 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 target attainment of the STI depends on the three equally weighted financial components and the individual performance factor. A cap of 200% is in place for the individual financial target components and for the STI overall. The components of the short-term variable cash compensation are shown in the graphic below.

C 3.3/1

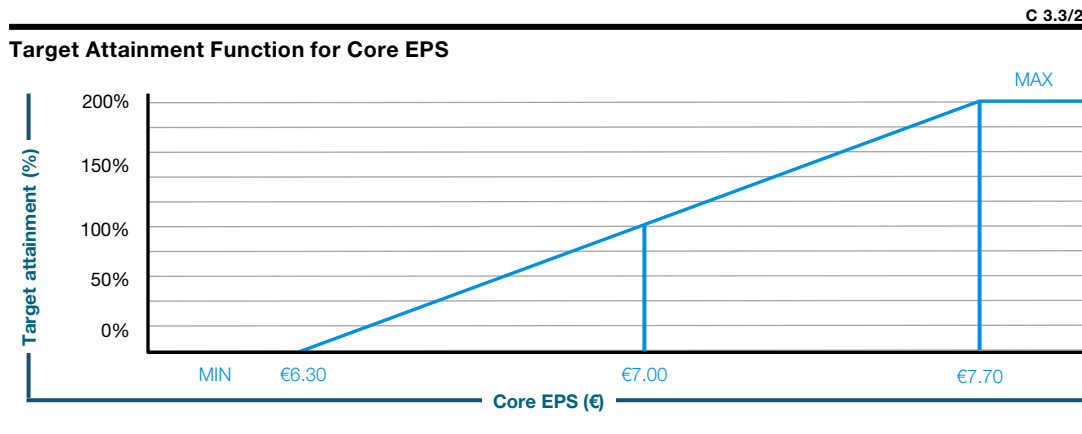
Components of Short-Term Variable Cash Compensation (STI)



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 while at the same time encouraging value creation for our stockholders.

The graphic below shows the minimum value, target value and maximum value for core EPS in 2022:

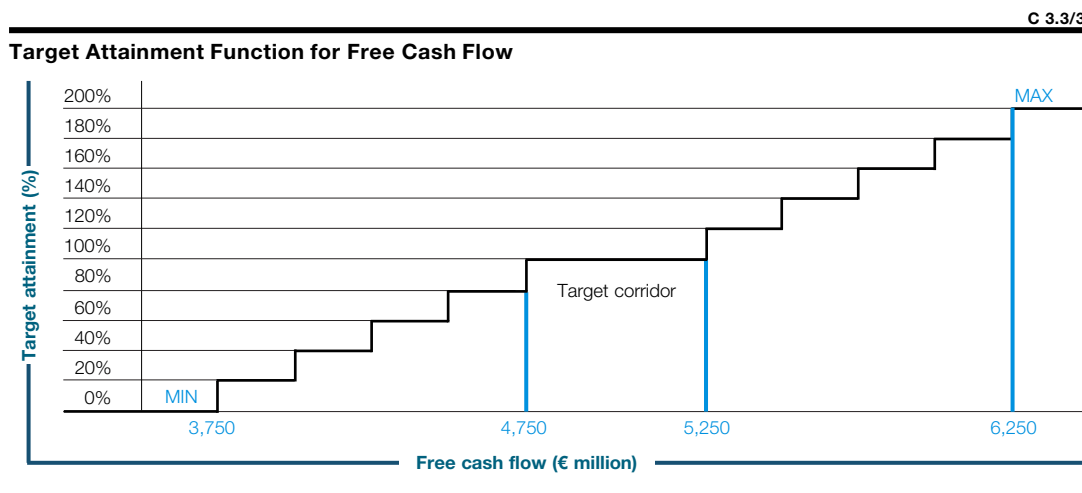


For fiscal 2022, the core EPS target for Group component I was set at €7.00. Actual core EPS came in at €7.94, corresponding to a target attainment level of 200%.

Group component II

Group component II is determined by the incentivized free cash flow at Group level. This component is aimed at incentivizing an increase in the cash flow available for paying dividends, reducing debt and making acquisitions, and ensures the Bayer Group's liquidity.

The graphic below shows the minimum value, target corridor and maximum value for the incentivized free cash flow in 2022:



Payments in connection with the ongoing liability litigations surrounding glyphosate, dicamba, PCBs and Essure™ are excluded from consideration for compensation purposes when the KPI for the incentivized

free cash flow is defined, since the payments cannot be planned for reliably with respect to their timing and magnitude, and they could therefore completely skew operational performance in target attainment. These payments are therefore irrelevant for setting targets and measuring attainment. For 2022, the target corridor for the incentivized free cash flow was set at €4.75 billion to €5.25 billion.

Free cash flow for 2022 came in at €3,111 million. After adjusting for the payments in the ongoing liability litigations (€1,165 million), incentivized free cash flow amounted to €4,276 million, corresponding to a target attainment level of 60%.

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 end of each year, the EBITDA margin before special items and the currency- and portfolio-adjusted sales growth actually achieved by the individual divisions 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.

C 3.3/4

STI Payout Matrix for the 2022 Financial Targets of the Divisions

		EBITDA margin before special items						
		Minimum value		Target corridor		Maximum value		
		CS	PH	CH	Minimum value	Target corridor	Maximum value	
					CS	PH	CH	
Minimum value		4.1%	0.2%	3.0%	0%	50%	150%	
...		
Target corridor		6.6–8.1%	2.7%	5.5%	50%	100%	200%	
...		
Maximum value		13.1%	7.7%	10.5%	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 the EBITDA margin before special items achieved by the divisions in 2022 are shown below.

Crop Science

- // Sales growth vs. 2021 (Fx & portfolio adj.): Actual figure: + 15.3%²
- // EBITDA margin before special items: Actual figure: 27.3%
- // Target attainment amounted to 200.0% (maximum level).

Pharmaceuticals

- // Sales growth vs. 2021 (Fx & portfolio adj.): Actual figure + 0.6%²
- // EBITDA margin before special items: Actual figure 30.5%
- // Target attainment amounted to 8.8%.

Consumer Health

- // Sales growth vs. 2021 (Fx & portfolio adj.): Actual figure + 7.4%²
- // EBITDA margin before special items: Actual figure 22.5%
- // Target attainment amounted to 138.3%.

This resulted in a target attainment level of 107.8% for Board of Management members with functional responsibility.

² Due to the hyperinflation-related growth in Argentina and Turkey, currency- and portfolio-adjusted sales growth was adjusted by minus 0.4 percentage points for Crop Science, minus 0.5 percentage points for Pharmaceuticals, and minus 1.0 percentage points for Consumer Health when determining target attainment.

Performance factor

In addition, team targets are agreed to reflect the collective responsibility of the members of the Board of Management as a governance body. These team targets are based on the Group targets set by the Board of Management for 2022 and approved by the Supervisory Board. For 2022, the team targets were in many cases achieved. The table below provides an overview of the subject areas along with their specific targets and corresponding KPIs.

C 3.3/5

Team Targets for 2022**Subject area**

Engage – for a successful performance culture	// Increase employee engagement and promote a performance culture // Improve engagement for employee health and safety, and ensure social acceptance (license to operate) // Promote inclusion and diversity, and implement the I&D plan
Shape – our business and our organizations to seize long-term opportunities	// Strengthen investors' trust and safeguard the company's reputation among key stakeholder groups // Pursue our company purpose by leveraging additional groundbreaking innovations and new technologies // Keep our sustainability pledge to achieve a lasting impact
Perform – and thus keep our pledge and lay the foundation for success	// Maintain a consistent growth narrative through our transformation agenda // Achieve success together with customers, consumers and patients, grow faster than the market and meet our delivery targets // Stabilize and simplify IT systems, and improve user experience

In addition, all members of the Board of Management are set individual targets tailored to their respective areas of responsibility. Target attainment is evaluated individually following the end of the fiscal year.

The attainment levels for the team and individual targets are evaluated by the Supervisory Board. The multiplier applied to the attainment of the financial targets can range from 0.8 to 1.2 for each individual Board of Management member. The table below shows the target attainment levels for 2022.

C 3.3/6

Individual Targets and Attainment for 2022

Board of Management member	Subject areas for individual targets	Target attainment – team and individual targets
Werner Baumann	// Implement the five-point plan for glyphosate // Advance the strategy and transformation agenda // Actively manage sustainable performance and capital market communication // Advance the sustainability strategy	109%
Rodrigo Santos	// Increase business growth and sales // Develop the digital business model and central innovation projects // Advance a sustainable food system // Promote employee engagement and inclusion & diversity	106%
Sarena Lin	// Fulfill role of a German Labor Director // Implement the transformation of the Human Resources function // Strengthen the performance culture through the new performance management program // Promote inclusion and diversity as well as integrated talent development programs	100%
Wolfgang Nickl	// Steer operations to attain financial KPIs // Optimize refinancing activities // Improve business-critical areas in the business units and functions // Contribute to effective stockholder engagement and communication	106%
Stefan Oelrich	// Effectively communicate the innovation and research portfolio // Successfully implement the goals of the "True North Now" strategy // Integrate new team members and strengthen the performance culture // Advance the market launch of new products	115%
Heiko Schipper	// Successfully implement the "Fit to Win" program // Successfully expand the portfolio // Further enhance the growth potential // Integrate new team members and strengthen the performance culture	107%

Payment of the short-term variable compensation (STI)

The STI is paid out in the following year at the earliest possible opportunity. For 2022, it is calculated as follows:

C 3.3/7

Short-Term Variable Compensation in 2022 at a Glance

	Target amount (€)	Group component I "cEPS"	Group component II "FCF"	Divisional component	Individual performance factor	Target attainment	
						Total	Payout amount (€)
Werner Baumann	1,597,500	200%	60.0%	107.8%	1.09-0.14	116.5%	1,861,088
Sarena Lin	810,000			107.8%	1.00	122.6%	993,060
Wolfgang Nickl	810,000			107.8%	1.06	130.0%	1,053,000
Stefan Oelrich	837,000			8.8%	1.15	103.0%	862,110
Rodrigo Santos	837,000			200.0%	1.06	162.5%	1,360,125
Heiko Schipper	810,000			138.3%	1.07	142.1%	1,151,010

In consultation with the Chairman of the Board of Management, the Supervisory Board reduced his individual performance factor by 14 percentage points. The Supervisory Board and Chairman of the Board of Management did so to take into account the stockholder feedback received during the governance roadshows held last year.

3.3.3 Long-term stock-based cash compensation (LTI) for 2022

Members of the Board of Management are eligible to participate in the annual tranches of the four-year 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 within a four-year period and hold them until two years after their term of service ends. In the event of a Board of Management member stepping down before the end of his or her term of office, individual arrangements are usually agreed for the LTI tranches granted in that year and in preceding years.

LTI tranches are only paid out when they fall due at the end of the performance period. Bayer has not granted any early LTI payments, and will not do so moving forward either.

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 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. 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):

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

The relative comparison to the EURO STOXX 50 increases or decreases the payout by the percentage of overperformance or underperformance, respectively, but by no more than 50 percentage points either way.

The following table provides an overview of target attainment levels for the 2019 and 2018 Aspire 2.0 tranches (expired in 2022 and 2021, 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 3.3/8

Aspire Payout Percentages

	2018 tranche ¹	2019 tranche
Bayer stock starting price	€104.91	€63.08
Bayer stock final price	€46.37	€52.15
Bayer stock performance	-55.80%	-17.33%
EURO STOXX 50 starting value	3,566.8	3,094.3
EURO STOXX 50 final value	4,207.8	3,901.6
EURO STOXX 50 performance	+17.97%	+26.09%
Dividend equivalent	€10.36	€9.60
Payout percentage	31.97%	62.00%

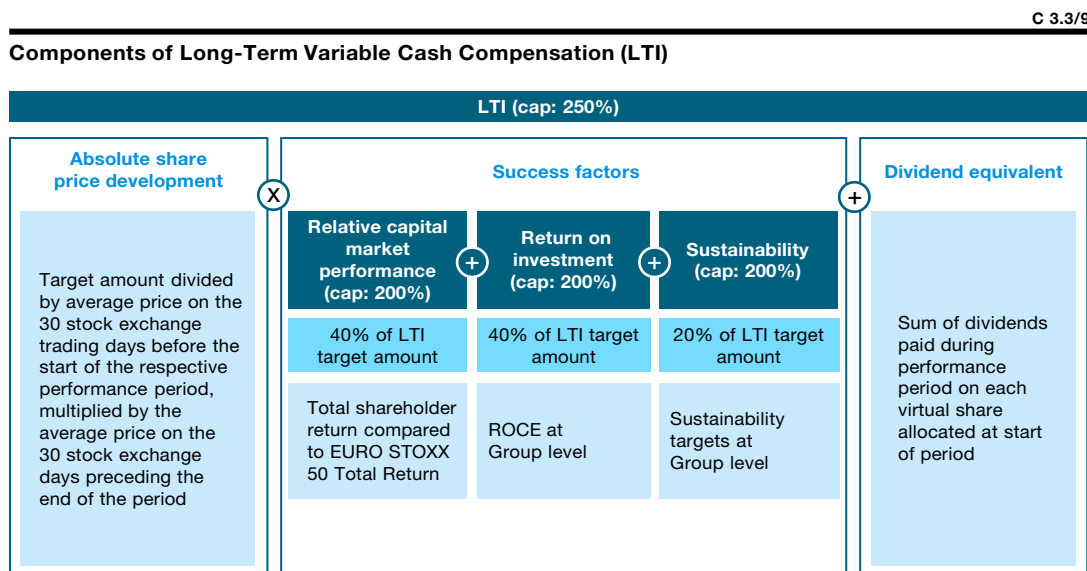
¹ The starting price for the 2018 tranche was modified by a factor of 0.98409496 due to the capital measure implemented on June 6, 2018.

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 and then dividing 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.

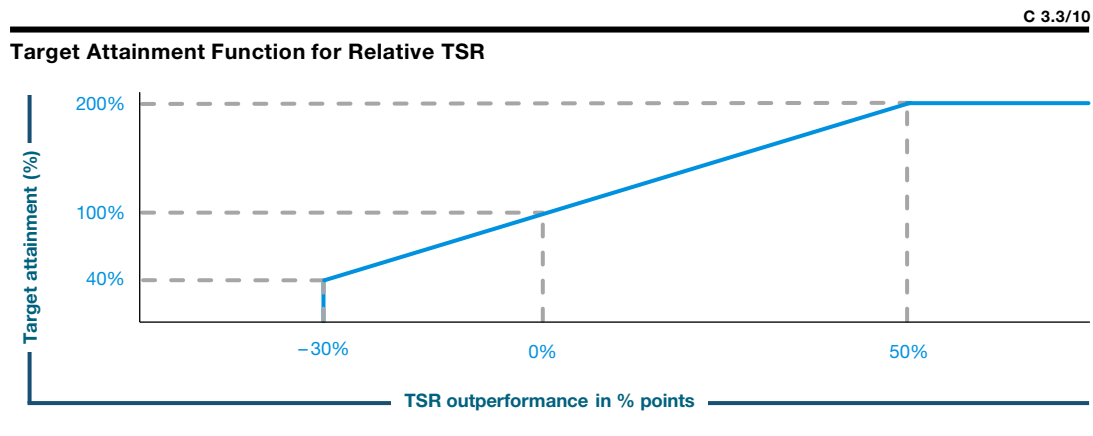
The payout is calculated by multiplying the number of virtual shares allocated by the arithmetic mean of the XETRA closing prices for Bayer stock on the 30 stock exchange trading days immediately preceding

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 four-year period. The components of the long-term variable cash compensation (LTI) are shown in the graphic below.



Relative capital market performance

Relative capital market performance is determined by the difference between Bayer's total shareholder return (TSR) and the EURO STOXX 50 Total Return, which serves as the benchmark index. 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. 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 of the respective four-year performance period. The final value also includes the hypothetically reinvested gross dividends during that time. 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 target attainment curve for the relative TSR target is given in the graphic below.



Return on investment

The return on investment is based on the return on capital employed (ROCE) at Group level. The annual comparison of the ROCE to the weighted average cost of capital indicates the value generated by the company. The ROCE is a metric that is applied as 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%.

In the event that the Supervisory Board makes an adjustment to ROCE target attainment, an explanation will be provided in the corresponding Compensation Report following the end of the four-year performance period (see Chapter 3.2.3).

Sustainability

Starting with the 2021 tranche, the Supervisory Board defines specific sustainability goals for the four-year performance period that are taken into account with a weighting of 20%. 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 aligned with the Sustainable Development Goals (SDGs) of the United Nations as a minimum, and are also in step

with international best practice, such as the Science Based Targets initiative (SBTi), with respect to how they are determined, measured and reviewed. All the sustainability goals below are given the same weighting. The Supervisory Board also set a minimum value, a target corridor and a maximum value for the individual sustainability goals. If 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 3.3/11

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 TJ

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 the attainment thereof 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 reasoning behind those changes (see Chapter 3.2.3).

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

The following table provides an overview of the ongoing tranches for the current members of the Board of Management of Bayer AG in 2022:

C 3.3/12

Overview of LTI Tranches for Board of Management Members Serving as of Dec. 31, 2022

Overview of LTI tranches allocated

		Target amount (€ thousand)	Bayer stock starting price (€)	No. of condition- ally allocated virtual shares ¹	Target attainment for performance component ²	Bayer stock final price (€)	Total dividends per virtual share (€)	Payout percentage	Payout amount ³ (€ thousand)	
2019 Aspire 2.0 tranche (Jan. 1, 2019 - Dec. 31, 2022)	Werner Baumann	2,804		44,454					1,739	
	Wolfgang Nickl	1,319	63.08	20,912	-43%	52.15	9.60	62.00%	818	
	Stefan Oelrich	1,226		19,431					760	
	Heiko Schipper	1,181		18,721					732	
2020 Aspire 3.0 tranche (Jan. 1, 2020 - Dec. 31, 2023)	Werner Baumann	2,502		35,773						
	Wolfgang Nickl	1,194	69.95	17,069					The performance period of the 2020 Aspire 3.0 tranche will end on Dec. 31, 2023	
	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						
	Sarena Lin	1,174	47.99	24,460					The performance period of the 2021 Aspire 3.0 tranche will end on Dec. 31, 2024	
	Wolfgang Nickl	1,199		24,980						
	Stefan Oelrich	1,279		26,643						
Heiko Schipper	1,199	24,980								
2022 Aspire 3.0 tranche (Jan. 1, 2022 - Dec. 31, 2025)	Werner Baumann	2,840		61,246						
	Sarena Lin	1,440	46.37	31,055					The performance period of the 2022 Aspire 3.0 tranche will end on Dec. 31, 2025	
	Wolfgang Nickl	1,440		31,055						
	Stefan Oelrich	1,488		32,090						
	Rodrigo Santos ⁴	1,488		32,090						
Heiko Schipper	1,440	31,055								

¹ 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.

² 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".

³ 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.

⁴ 2019-2021 LTI tranches granted to Rodrigo Santos prior to his appointment to the Board of Management are not shown. When each performance period comes to an end, the respective tranche will be shown in the "Compensation Awarded and Due" table.

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 for the former members of the Board of Management of Bayer AG:

C 3.3/13

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 ¹	Target attainment for performance component ²	Bayer stock final price (€)	Total dividends per virtual share (€)	Payout percentage	Payout amount ³ (€ thousand)
2019 Aspire 2.0 tranche (Jan. 1, 2019 - Dec. 31, 2022)	Liam Condon	1,841		29,187					1,141
	Dr. Hartmut Klusik	1,240	63.08	19,658	-43%	52.15	9.60	62.00%	769
	Kemal Malik	1,253		19,867					777
2020 Aspire 3.0 tranche (Jan. 1, 2020 - Dec. 31, 2023)	Liam Condon	1,441		20,597					
	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)	Liam Condon	1,446		30,141					
	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 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.

² 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".

³ 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.

3.3.4 Fringe benefits

Fringe benefits include costs assumed by the company for health screening and various work-related insurance policies. Each member of the Board of Management has access to a company car, including driver, for business and a reasonable amount of private use, or receives a corresponding budget. 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.

3.3.5 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. 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 as Chairman of 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.
- 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 and other managerial employees in Germany.

The current service cost for the pension entitlements of the Board of Management members recognized in 2022 according to IFRS was €2,284 thousand (2021: €3,800 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 3.3/14

€ thousand	Expense ¹		Present value of defined benefit pension obligation as of Dec. 31	
	2021	2022	2021	2022
Serving Board of Management members as of Dec. 31, 2022				
Contribution-based pension entitlements				
Werner Baumann (Chairman)	2,088	1,547	26,654	18,554
Wolfgang Nickl	325	276	1,144	799
Stefan Oelrich	344	284	1,042	772
Heiko Schipper	259	177	7,243	5,817

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.

The service cost according to IFRS is calculated based on contractual obligations and actuarial assumptions. It reflects the amount, calculated actuarially, that was earned by the respective Board of Management member in the respective year through their work and that was recognized through profit or loss. It corresponds to the present value of the newly earned future pension payments, and is impacted by updated actuarial adjustments. The service cost does not reflect a payout amount or payments currently being made to Board of Management members. A lower discount rate at the start of the year, higher anticipated salary and pension increases and a shorter vesting period in years are factors that result in a higher service cost.

The service cost according to IFRS can therefore fluctuate from one year to the next. The existing pension entitlements of a Board of Management member cannot legally be unilaterally adjusted by Bayer.

3.3.6 Caps on variable compensation components and total compensation

If targets are not attained, variable compensation can fall to as low as zero. However, 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 years 2020 to 2022, this can only be reported on after expiration of the respective LTI four-year performance periods.

The respective actual compensation levels for the 2019 reference year were significantly below the established maximum compensation levels for all Board of Management members.

3.3.7 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 that 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 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, with the amount to be repaid reflecting the corrections to be made. 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 2022, 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).

3.3.8 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 3.3/15

Share Ownership Guidelines – Status

Serving Board of Management members as of Dec. 31, 2022

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

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

3.3.9 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 dates and at the conditions originally agreed, and are not brought forward. In doing so, Bayer observes the principles of good corporate governance: LTI allocations already granted are paid out to departing Board of Management members according to the original payment plans and calculated according to the previously agreed rules.

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.

3.3.10 Payment for service on governance bodies and third-party compensation

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.

No member of the Board of Management received compensation from a third party in 2022 for serving on their management and/or supervisory boards.

3.4 Individual Board of Management compensation levels in 2022

3.4.1 Target compensation

The following tables show the individual target values, along with the minimum and maximum values, for the compensation components contractually agreed in 2022, including expenses for fringe benefits and pension entitlements, along with the relative shares of the individual compensation components.

C 3.4/1

Target Compensation (Part I)

	Serving Board of Management members as of Dec. 31, 2022									
	Werner Baumann (Chairman)					Sarena Lin ² (Labor Director)				
	Joined Jan. 1, 2010					Joined Feb. 1, 2021				
	2022 (€ thou- sand)	2022 (%)	Min. 2022 (€ thou- sand)	Max. ¹ 2022 (€ thou- sand)	2021 (€ thou- sand)	2022 (€ thou- sand)	2022 (%)	Min. 2022 (€ thou- sand)	Max. ¹ 2022 (€ thou- sand)	2021 (€ thou- sand)
Base compensation	1,775	22.7	1,775	1,775	1,733	900	19.9	900	900	758
Fringe benefits	65	0.8	65	65	99	1,006	22.3	1,006	1,006	1,282
Pension installment	–	–	–	–	–	360	8.0	360	360	303
Short-term variable cash compensation										
STI 2021	–	–	–	–	1,775	–	–	–	–	825
STI 2022	1,598	20.4	0	3,195	–	810	17.9	0	1,620	–
Long-term stock-based cash compensation										
Aspire 3.0 2021 (Jan. 1, 2021 – Dec. 31, 2024)	–	–	–	–	2,513	–	–	–	–	1,174
Aspire 3.0 2022 (Jan. 1, 2022 – Dec. 31, 2025)	2,840	36.3	0	7,100	–	1,440	31.9	0	3,600	–
Service cost/benefit expense (IFRS)	1,547	19.8	1,547	1,547	2,088	–	–	–	–	–
Total compensation	7,825	100.0	3,387	13,682	8,208	4,516	100.0	2,266	7,486	4,342

C 3.4/2

Target Compensation (Part II)

Serving Board of Management members as of Dec. 31, 2022										
Wolfgang Nickl (Finance)					Stefan Oelrich ³ (Pharmaceuticals)					
Joined April 26, 2018					Joined Nov. 1, 2018					
	2022 (€ thousand)	2022 (%)	Min. 2022 (€ thousand)	Max. ¹ 2022 (€ thousand)	2021 (€ thousand)	2022 (€ thousand)	2022 (%)	Min. 2022 (€ thousand)	Max. ¹ 2022 (€ thousand)	2021 (€ thousand)
Base compensation	900	25.3	900	900	824	930	26.0	930	930	872
Fringe benefits	137	3.8	137	137	202	32	0.9	32	32	861
Pension installment	-	-	-	-	-	-	-	-	-	-
Short-term variable cash compensation										
STI 2021	-	-	-	-	900	-	-	-	-	930
STI 2022	810	22.7	0	1,620	-	837	23.4	0	1,674	-
Long-term stock-based cash compensation										
Aspire 3.0 2021 (Jan. 1, 2021 – Dec. 31, 2024)	-	-	-	-	1,199	-	-	-	-	1,279
Aspire 3.0 2022 (Jan. 1, 2022 – Dec. 31, 2025)	1,440	40.5	0	3,600	-	1,488	41.7	0	3,720	-
Service cost/benefit expense (IFRS)	276	7.7	276	276	325	284	8.0	284	284	344
Total compensation	3,563	100.0	1,313	6,533	3,450	3,571	100.0	1,246	6,640	4,286

C 3.4/3

Target Compensation (Part III)

Serving Board of Management members as of Dec. 31, 2022										
Rodrigo Santos (Crop Science)					Heiko Schipper ⁴ (Consumer Health)					
Joined Jan. 1, 2022					Joined Mar. 1, 2018					
	2022 (€ thousand)	2022 (%)	Min. 2022 (€ thousand)	Max. ¹ 2022 (€ thousand)	2021 (€ thousand)	2022 (€ thousand)	2022 (%)	Min. 2022 (€ thousand)	Max. ¹ 2022 (€ thousand)	2021 (€ thousand)
Base compensation	930	25.5	930	930	-	900	26.8	900	900	824
Fringe benefits	26	0.7	26	26	-	30	0.9	30	30	443
Pension installment	372	10.2	372	372	-	-	-	-	-	-
Short-term variable cash compensation										
STI 2021	-	-	-	-	-	-	-	-	-	900
STI 2022	837	22.9	0	1,674	-	810	24.1	0	1,620	-
Long-term stock-based cash compensation										
Aspire 3.0 2021 (Jan. 1, 2021 – Dec. 31, 2024)	-	-	-	-	-	-	-	-	-	1,199
Aspire 3.0 2022 (Jan. 1, 2022 – Dec. 31, 2025)	1,488	40.7	0	3,720	-	1,440	42.9	0	3,600	-
Service cost/benefit expense (IFRS)	-	-	-	-	-	177	5.3	177	177	259
Total compensation	3,653	100.0	1,328	6,722	-	3,357	100.0	1,107	6,327	3,625

¹ The maximum figures shown here do not yet take into account the total caps applicable (see C 3.2/3).

² The fringe benefits for Sarena Lin include indemnity payments of €959 thousand for both 2021 and 2022 for variable compensation components granted to her by her former employer that lapsed due to her joining Bayer, and, for 2021, the reimbursement of costs incurred for selling her home in the United States, which was capped.

³ The fringe benefits for Stefan Oelrich contained an indemnity payment of €808 thousand for 2021 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 contained an indemnity payment of €431 thousand for 2021 for variable compensation components granted to him by his former employer that lapsed due to his joining Bayer.

3.4.2 Compensation awarded and due

The tables below show all fixed and variable 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 actually been 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 (LTI):

- The payout amounts for the 2022 STI and the Aspire 2.0 tranche issued in 2019 are included in the 2022 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.
- For Board of Management members who step down by mutual consent, Aspire commitments already granted in the past are paid out after four years in accordance with the program conditions. They therefore do not receive an early payout when stepping down (accelerated vesting). Where the duties required to be performed to qualify for the Aspire tranche are performed in full in a given year, the tranche is granted. The tranche is therefore granted for the year in which a Board of Management member steps down if an agreement to this effect has been reached. The fair value of the tranche at the time the Board of Management member steps down is presented under "Other" in the tables below. The amount actually paid out will deviate from this figure. The fluctuations in value that occur up until payout after the Board of Management member steps down are shown in the tables below, especially the "Development of Compensation and Financial Performance – Comparative Overview" table.

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 3.4/4

Compensation Awarded and Due (Part I)

	Serving Board of Management members as of Dec. 31, 2022					
	Werner Baumann (Chairman) Joined Jan. 1, 2010			Sarena Lin ¹ (Labor Director) Joined Feb. 1, 2021		
	2022 (€ thousand)	2022 (%)	2021 (€ thousand)	2022 (€ thousand)	2022 (%)	2021 (€ thousand)
Base compensation	1,775	32.6	1,733	900	27.6	758
Fringe benefits	65	1.2	99	1,006	30.9	1,282
Pension installment	–	–	–	360	11.0	303
Short-term variable cash compensation						
STI 2021	–	–	3,218	–	–	1,366
STI 2022	1,861	34.2	–	993	30.5	–
Long-term stock-based cash compensation						
Aspire 2.0 2018 (Jan. 1, 2018 – Dec. 31, 2021)	–	–	652	–	–	–
Aspire 2.0 2019 (Jan. 1, 2019 – Dec. 31, 2022)	1,739	32.0	–	–	–	–
Other	–	–	–	–	–	–
Total compensation awarded and due	5,440	100.0	5,702	3,259	100.0	3,709
Service cost/benefit expense (IFRS)	1,547		2,088	–		–
Total compensation	6,987		7,790	3,259		3,709

C 3.4/5

Compensation Awarded and Due (Part II)

	Serving Board of Management members as of Dec. 31, 2022					
	Wolfgang Nickl (Finance) Joined April 26, 2018			Stefan Oelrich ² (Pharmaceuticals) Joined Nov. 1, 2018		
	2022 (€ thousand)	2022 (%)	2021 (€ thousand)	2022 (€ thousand)	2022 (%)	2021 (€ thousand)
Base compensation	900	30.9	824	930	36.0	872
Fringe benefits	137	4.7	202	32	1.2	861
Pension installment	–	–	–	–	–	–
Short-term variable cash compensation						
STI 2021	–	–	1,632	–	–	1,600
STI 2022	1,053	36.2	–	862	33.4	–
Long-term stock-based cash compensation						
Aspire 2.0 2018 (Jan. 1, 2018 – Dec. 31, 2021)	–	–	338	–	–	311
Aspire 2.0 2019 (Jan. 1, 2019 – Dec. 31, 2022)	818	28.2	–	760	29.4	–
Other	–	–	–	–	–	–
Total compensation awarded and due	2,908	100.0	2,996	2,584	100.0	3,644
Service cost/benefit expense (IFRS)	276		325	284	–	344
Total compensation	3,184		3,321	2,868		3,988

C 3.4/6

Compensation Awarded and Due (Part III)

Serving Board of Management members as of Dec. 31, 2022

	Rodrigo Santos ³ (Crop Science) Joined Jan. 1, 2022		Heiko Schipper ⁴ (Consumer Health) Joined Mar. 1, 2018			
	2022 (€ thousand)	2022 (%)	2021 (€ thousand)	2022 (€ thousand)	2022 (%)	2021 (€ thousand)
Base compensation	930	32.8	–	900	32.0	824
Fringe benefits	26	0.9	–	30	1.1	443
Pension installment	372	13.1	–	–	–	–
Short-term variable cash compensation						
STI 2021	–	–	–	–	–	1,553
STI 2022	1,360	48.0	–	1,151	40.9	–
Long-term stock-based cash compensation						
Aspire 2.0 2018 (Jan. 1, 2018 – Dec. 31, 2021)	–	–	–	–	–	353
Aspire 2.0 2019 (Jan. 1, 2019 – Dec. 31, 2022)	148	5.2	–	732	26.0	–
Other	–	–	–	–	–	–
Total compensation awarded and due	2,836	100.0	–	2,813	100.0	3,173
Service cost/benefit expense (IFRS)	–	–	–	177	–	259
Total compensation	2,836		–	2,990		3,432

¹ The fringe benefits for Sarena Lin include indemnity payments of €959 thousand for both 2021 and 2022 for variable compensation components granted to her by her former employer that lapsed due to her joining Bayer, and, for 2021, the reimbursement of costs incurred for selling her home in the United States, which was capped.

² The fringe benefits for Stefan Oelrich contained an indemnity payment of €808 thousand for 2021 for variable compensation components granted to him by his former employer that lapsed due to his joining Bayer.

³ The 2019 tranche granted to Rodrigo Santos prior to his appointment to the Board of Management is included in awarded compensation.

⁴ The fringe benefits for Heiko Schipper contained an indemnity payment of €431 thousand for 2021 for variable compensation components granted to him by his former employer that lapsed due to his joining Bayer.

C 3.4/7

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

	Dr. Hartmut Klusik ² Stepped down: Dec 31, 2019		Kemal Malik Stepped down: Dec 31, 2019	
	2022 (€ thousand)	2022 (%)	2022 (€ thousand)	2022 (%)
Long-term stock-based cash compensation ¹	(208)	152.9	(223)	100.0
Pension payments	72	–52.9	–	–
Other compensation	–	–	–	–
Total compensation awarded and due	(136)	100.0	(223)	100.0

C 3.4/8

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	
	2022 (€ thousand)	2022 (%)	2022 (€ thousand)	2022 (%)	2022 (€ thousand)	2022 (%)
Long-term stock-based cash compensation ¹	(98)	–816.7	(131)	100.0	(234)	100.0
Pension payments	110	916.7	–	–	–	–
Other compensation	–	–	–	–	–	–
Total compensation awarded and due	12	100.0	(131)	100.0	(234)	100.0

C 3.4/9

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

	Dr. Marijn Dekkers Stepped down: April 30, 2016		Prof. Dr. Wolfgang Plischke ² Stepped down: April 29, 2014		Dr. Richard Pott ² Stepped down: May 31, 2013	
	2022 (€ thousand)	2022 (%)	2022 (€ thousand)	2022 (%)	2022 (€ thousand)	2022 (%)
Long-term stock-based cash compensation ¹	–	–	–	–	–	–
Pension payments	664	100.0	448	100.0	625	100.0
Other compensation	–	–	–	–	–	–
Total compensation awarded and due	664	100.0	448	100.0	625	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 Includes pension payments from Bayer-Pensionskasse VVaG

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.

4.1 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.

4.2 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 4.2/1

Design of Supervisory Board Compensation

Compensation element	From April 28, 2021
Fixed compensation	<ul style="list-style-type: none"> • Chairman: €480,000 • Vice Chairman: €320,000 • Ordinary member: €160,000
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)
Audit Committee	<ul style="list-style-type: none"> • Chairman: €120,000 • Member: €60,000
Presidial Committee	<ul style="list-style-type: none"> • Chairman: €40,000 • Member: €20,000
Nominations Committee	<ul style="list-style-type: none"> • Chairman: €40,000 • Member: €20,000
Other committees	<ul style="list-style-type: none"> • Chairman: €60,000 • Member: €30,000
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.

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.

4.3 Compensation awarded and due

C 4.3/1

Compensation Awarded and Due (Part I)

	Fixed compensation		Compensation for committee duties			
	2022	2021	2022	2021		
	€ thousand	%	€ thousand	€ thousand	%	€ thousand
Serving Supervisory Board members as of Dec. 31, 2022						
Dr. Paul Achleitner	160	66.1	151	59	24.4	75
Dr. Simone Bagel-Trah	160	71.4	151	40	17.9	14
Horst Baier	160	52.1	151	121	39.4	154
Dr. Norbert W. Bischofberger	160	76.2	151	30	14.3	30
André van Broich	160	58.4	151	90	32.8	82
Ertharin Cousin	160	58.4	151	90	32.8	20
Yasmin Fahimi ¹	32	91.4	–	1	2.9	–
Dr. Barbara Gansewendt ²	108	65.5	–	40	24.2	–
Colleen A. Goggins	160	67.8	151	50	21.2	45
Francesco Grioli ³	108	81.8	–	13	9.8	–
Heike Hausfeld (Vice Chairwoman) ⁴	268	86.5	151	19	6.1	31
Frank Löllgen	160	59.0	151	90	33.2	83
Kimberly Mathisen ⁵	53	89.8	–	–	0.0	–
Andrea Sacher	160	68.4	151	50	21.4	–
Claudia Schade ⁶	108	90.8	–	–	0.0	–
Heinz Georg Webers ⁷	108	76.6	–	21	14.9	–
Alberto Weisser	160	62.5	109	73	28.5	41
Michael Westmeier ⁸	108	90.8	–	–	0.0	–
Prof. Dr. Otmar D. Wiestler	160	66.7	151	60	25.0	51
Prof. Dr. Norbert Winkeljohann (Chairman)	480	94.1	453	–	0.0	–
Individuals who ceased to be members of the Supervisory Board in 2021 and 2022						
Dr. Thomas Elsner ⁹	52	64.2	151	20	24.7	92
Johanna W. (Hanneke) Faber ¹⁰	–	0.0	42	–	0.0	–
Robert Gundlach ¹¹	52	75.4	151	9	13.0	30
Reiner Hoffmann ¹²	117	79.1	151	13	8.8	–
Dr. Fei-Fei Li ¹³	107	100.0	109	–	0.0	–
Prof. Dr. Wolfgang Plischke ¹⁴	–	0.0	42	–	0.0	43
Petra Reinbold-Knape ¹⁵	52	76.5	151	7	10.3	55
Michael Schmidt-Kießling ¹⁶	52	85.2	151	–	0.0	–
Oliver Zühlke ¹⁷	104	90.4	302	–	0.0	–

Compensation Awarded and Due (Part II)

	Attendance fees ¹⁸		Total compensation	
	2022	2021	2022	2021
Serving Supervisory Board members as of Dec. 31, 2022	€ thousand	%	€ thousand	€ thousand
Dr. Paul Achleitner	23	9.5	11	237
Dr. Simone Bagel-Trah	24	10.7	9	174
Horst Baier	26	8.5	17	322
Dr. Norbert W. Bischofberger	20	9.5	11	192
André van Broich	24	8.8	14	247
Ertharin Cousin	24	8.8	11	182
Yasmin Fahimi ¹	2	5.7	–	–
Dr. Barbara Gansewendt ²	17	10.3	–	–
Colleen A. Goggins	26	11.0	12	208
Francesco Grioli ³	11	8.3	–	–
Heike Hausfeld (Vice Chairwoman) ⁴	23	7.4	9	191
Frank Löllgen	21	7.7	12	246
Kimberly Mathisen ⁵	6	10.2	–	–
Andrea Sacher	24	10.3	9	160
Claudia Schade ⁶	11	9.2	–	–
Heinz Georg Webers ⁷	12	8.5	–	–
Alberto Weisser	23	9.0	14	164
Michael Westmeier ⁸	11	9.2	–	–
Prof. Dr. Otmar D. Wiestler	20	8.3	11	213
Prof. Dr. Norbert Winkeljohann (Chairman)	30	5.9	20	473
Individuals who ceased to be members of the Supervisory Board in 2021 and 2022				
Dr. Thomas Elsner ⁹	9	11.1	17	260
Johanna W. (Hanneke) Faber ¹⁰	–	0.0	–	42
Robert Gundlach ¹¹	8	11.6	11	192
Reiner Hoffmann ¹²	18	12.2	9	160
Dr. Fei-Fei Li ¹³	–	0.0	8	117
Prof. Dr. Wolfgang Plischke ¹⁴	–	0.0	–	85
Petra Reinbold-Knape ¹⁵	9	13.2	14	220
Michael Schmidt-Kießling ¹⁶	9	14.8	9	160
Oliver Zühlke ¹⁷	11	9.6	17	319

¹ Member of the Supervisory Board since October 21, 2022

² Member of the Supervisory Board since April 29, 2022

³ Member of the Supervisory Board since April 29, 2022

⁴ Vice Chairwoman of the Supervisory Board since April 29, 2022

⁵ Member of the Supervisory Board since September 1, 2022

⁶ Member of the Supervisory Board since April 29, 2022

⁷ Member of the Supervisory Board since April 29, 2022

⁸ Member of the Supervisory Board since April 29, 2022

⁹ Member of the Supervisory Board until April 29, 2022

¹⁰ Member of the Supervisory Board until April 27, 2021

¹¹ Member of the Supervisory Board until April 29, 2022

¹² Member of the Supervisory Board until September 25, 2022

¹³ Member of the Supervisory Board between April 27, 2021, and August 31, 2022

¹⁴ Member of the Supervisory Board until April 27, 2021

¹⁵ Member of the Supervisory Board until April 29, 2022

¹⁶ Member of the Supervisory Board until April 29, 2022

¹⁷ Member of the Supervisory Board until April 29, 2022

¹⁸ The individual figures in the table are rounded. Total unrounded attendance fees amount to €435 thousand.

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.

5. Development of Financial Performance and Annual Change in Compensation – Comparative Overview

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 2022.

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 are accounted for within Bayer AG, Leverkusen, from January 1, 2020.

Development of Compensation and Financial Performance – Comparative Overview

€ thousand	2018	Δ (%)	2019	Δ (%)	2020	Δ (%)	2021	Δ (%)	2022
Andrea Sacher	–	–	–	–	41	+ 290.2	160	+ 46.3	234
Claudia Schade	–	–	–	–	–	–	–	–	119
Heinz Georg Webers	–	–	–	–	–	–	–	–	141
Alberto Weisser	–	–	–	–	–	–	164	+ 56.1	256
Michael Westmeier	–	–	–	–	–	–	–	–	119
Prof. Dr. Otmar D. Wiestler	170	+ 0.6	171	– 2.9	166	+ 28.3	213	+ 12.7	240
Prof. Dr. Norbert Winkeljohann (Chairman)	165	+ 75.8	290	+ 26.6	367	+ 28.9	473	+ 7.8	510
Former Supervisory Board members³									
Dr. Thomas Elsner (until April 29, 2022)	208	+ 8.2	225	+ 3.6	233	+ 11.6	260	– 68.8	81
Robert Gundlach (until April 29, 2022)	–	–	5	+ 2,600.0	135	+ 42.2	192	– 64.1	69
Reiner Hoffmann (until Sept. 25, 2022)	136	– 0.7	135	– 1.5	133	+ 20.3	160	– 7.5	148
Dr. Fei-Fei Li (until Aug. 31, 2022)	–	–	–	–	–	–	117	– 8.5	107
Petra Reinbold-Knape (until April 29, 2022)	204	+ 0.5	205	– 2.9	199	+ 10.6	220	– 69.1	68
Michael Schmidt-Kießling (until April 29, 2022)	138	– 0.7	137	– 2.9	133	+ 20.3	160	– 61.9	61
Oliver Zühlke (Vice Chairman until April 29, 2022)	273	– 1.1	270	– 1.5	266	+ 19.9	319	– 63.9	115
Employees									
Average compensation for employees ⁴	101	+ 6.9	108	– 1.9	106	– 1.9	104	+ 17.3	122
Financial performance									
EBITDA before special items (€ million) (Bayer Group) ⁵	9,547	+ 20.5	11,503	– 0.4	11,461	– 2.5	11,179	+ 20.9	13,513
Core earnings per share (in €) ⁶	5.94	+ 7.7	6.40	– 0.2	6.39	+ 1.9	6.51	+ 22.0	7.94
Net income/loss (Bayer AG)	2,117	+ 115.3	4,557	– 155.9	(2,547)	– 261.4	4,110	+ 15.9	4,764

¹ There is always a difference between the compensation awarded in previous years (due to a Board of Management member having fully performed their work duties up until their departure) and the actual payout effected years later under an LTI program. If the actual payout is lower than the awarded compensation shown for the previous years, it results in a negative amount being presented. If the payout is higher than the awarded compensation originally shown, it results in a positive amount being presented. Since the payout is only ever effected in the year after the four-year performance period ends, the above difference is not shown as awarded until the year of the payout in the case of departed Board of Management members. For serving Board of Management members, however, this takes place in the fourth year of the performance period. As such, pursuant to Section 162 of the Stock Corporation Act, no awarded compensation is usually shown for former Board of Management members in the year after they step down.

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.

³ Supervisory Board members who stepped down in 2022

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 2018-2021 as originally reported, forming basis for compensation

⁶ Core earnings per share from continuing operations, 2018-2021 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. Changes in the target direct compensation shown for each year may be largely due to restructuring measures, M&A activities and changes to the Board of Management composition.

C 5/2

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

€	2018	Change (%)	2019	Change (%)	2020	Change (%)	2021	Change (%)	2022
Board of Management	3,123,600	+ 5.9	3,307,600	+ 7.3	3,548,790	+ 4.7	3,715,425	- 0.5	3,695,417
All employees ² in Germany	93,678	+ 4.0	97,445	+ 0.6	98,014	+ 1.4	99,390	+ 4.7	104,101
Nonmanagerial employees in Germany	62,351	+ 4.4	65,123	- 0.6	64,763	+ 1.3	65,623	+ 2.3	67,162

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 5/1.

² Excluding the Board of Management

In 2022, the ratio between the average compensation of a Board of Management member and that of all employees in Germany stood at 35:1 (2021: 37:1), while the ratio between the average compensation of a Board of Management member and that of nonmanagerial employees in Germany was 55:1 (2021: 57:1). For the Chairman of the Board of Management, the ratios were 60:1 (2021: 63:1) in relation to all employees in Germany and 93:1 (2021: 95:1) in relation to nonmanagerial employees in Germany.

Leverkusen, February 17, 2023

Bayer Aktiengesellschaft

For the Board of Management:

Werner Baumann

Sarena Lin

Wolfgang Nickl

For the Supervisory Board:

Prof. Dr. Winkeljohann

REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE COMPENSATION REPORT

To Bayer Aktiengesellschaft, Leverkusen/Germany

We have audited the accompanying compensation report of Bayer Aktiengesellschaft, Leverkusen/Germany, ("the Company") for the financial year from January 1 to December 31, 2022, including the related disclosures, which has been prepared to comply with Section 162 German Stock Corporation Act (AktG). We have not audited such content of the foreword by the chairman of the supervisory board that goes beyond the scope of Section 162 AktG nor the section "Overview of Compensation in 2022".

Responsibilities of the Executive Directors and of the Supervisory Board

The executive directors and the supervisory board of Bayer Aktiengesellschaft, Leverkusen/Germany, are responsible for the preparation of the compensation report, including the related disclosures, that complies with the requirements of Section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider necessary to enable the preparation of a compensation report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this compensation report, including the related disclosures, based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfill the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the compensation report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the compensation report, including the related disclosures. The choice of the audit procedures is subject to the auditor's professional judgment. This includes assessing the risk of material misstatements, whether due to fraud or error, in the compensation report. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the

compensation report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company's system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the supervisory board as well as an evaluation 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, 2022, including the related disclosures, complies, in all material respects, with the accounting principles of Section 162 AktG. Our audit opinion on the compensation report does not cover the content of the above-mentioned foreword by the chairman of the supervisory board that goes beyond the scope of Section 162 AktG nor the section "Overview of Compensation in 2022".

Other Matter – Formal Audit of the Compensation Report

The content audit of the compensation report described in this report comprises the formal audit required under Section 162 (3) AktG including the issuance of a report on this audit. Since our audit opinion on the content audit is unmodified, this audit opinion includes that the disclosures required under Section 162 (1) and (2) AktG are contained, in all material respects, in the compensation report.

Other Information

The supervisory board is responsible for the other information. The other information comprises the foreword by the chairman of the supervisory board on the compensation report and the section "Overview of Compensation in 2022".

Our audit opinion on the compensation report does not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the compensation report or our knowledge obtained in the audit of the compensation report, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to Bayer Aktiengesellschaft, Leverkusen/Germany, and our liability is also governed by the engagement letter dated December 9/15, 2022 agreed with the Company as well as the "General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" promulgated by the Institut der Wirtschaftsprüfer (IDW) in the version dated January 1, 2017 (IDW-AAB). However, we do not accept or assume liability to third parties.

Munich/Germany, February 20, 2023

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Andreas Wermelt

Wirtschaftsprüfer

(German Public Auditor)

Signed:

Michael Mehren

Wirtschaftsprüfer

(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 of Bayer Aktiengesellschaft and of the Bayer Group and the report of the Supervisory Board, in each case for the fiscal year 2022 (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 of Bayer Aktiengesellschaft and of the Bayer Group for the fiscal year 2022,
- Curricula vitae of Prof. Dr. Norbert Winkeljohann and Kimberly Mathisen including further information of relevance to the proposed election to the Supervisory Board (Agenda Item 4),
- Compensation report on the compensation of the members of the Board of Management and of the Supervisory Board for the fiscal year 2022 (Agenda Item 5),
- The Articles of Incorporation of the Company (Agenda Items 6 and 7).

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

The Board of Management, with the approval of the Supervisory Board and on the basis of Section 26n, Paragraph 1 of the Introductory Act to the German Stock Corporation Act (EgAktG), has decided that the Annual Stockholders' Meeting will be held without the physical presence of stockholders or of their proxy holders at the venue of the Meeting (virtual Annual Stockholders' Meeting pursuant to Section 118a, Paragraph 1, Sentence 1 of the AktG).

In view of the special features of the virtual Annual Stockholders' Meeting, we would ask stockholders to give their attention in particular to the following information on registration, on video and audio transmission and joining the Meeting, and on how to exercise their stockholder rights in connection with the Annual Stockholders' Meeting.

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 chair of the Meeting, members of the Supervisory Board and 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 at the venue of the Meeting (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 to 8 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.

All times indicated in this Notice are in Central European Time (CET) up to and including March 25, 2023, and in Central European Summer Time (CEST) as of March 26, 2023. In terms of Coordinated Universal Time (UTC), UTC = CET minus one hour, and UTC = CEST minus two hours.

Prerequisites for participation in the virtual Annual Stockholders' Meeting and exercise of voting rights

Only those stockholders who are entered in the Company's 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 stockholder rights, in particular voting rights. **Registration** must be received by the Company **at the latest by 24:00 on Friday, April 21, 2023**, at the following postal address or email address:

Bayer Aktiengesellschaft

c/o Computershare Operations Center

80249 Munich, Germany

Email address: 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 data 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, March 31, 2023. Stockholders that are entered in the share register after 0:00 on April 7, 2023, will no longer receive the Annual Stockholders' Meeting documents with the necessary details for accessing the "Stockholders' Portal" without specifically requesting these, in line with the legal requirements. However, they may use the registration address indicated above to request the documents.

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 22, 2023, up to and including the date of the Annual Stockholders' Meeting and the following transfer-free weekend, i.e. up to and including Sunday, April 30, 2023. 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 21, 2023. The technical record date is thus the end (i.e. 24:00) of Friday, April 21, 2023.

Intermediaries, stockholder associations and voting rights consultants, 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.

Video and audio transmission of the entire Annual Stockholders' Meeting and joining the Annual Stockholders' Meeting electronically

All stockholders of the Company and any interested members of the public can follow the entire Annual Stockholders' Meeting on the internet on Friday, April 28, 2023, from 10:00 at www.bayer.com/stockholders-meeting. Registered stockholders and their proxies can join the Annual Stockholders' Meeting electronically via the "Stockholders' Portal" at www.stockholders-portal.bayer.com and in this way participate in the Meeting, exercise their stockholder rights and follow the video and audio transmission of the entire Meeting. Stockholders and their proxy holders only join the Meeting electronically and are included in the register of participants if they use their access through the "Stockholders' Portal" during the Meeting rather than simply following the Meeting on the web page. The register of participants will be available on the "Stockholders' Portal" before the first vote.

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. Registration by Friday, April 21, 2023, 24:00, shall also be required in these cases (see "Prerequisites for participation in the virtual Annual Stockholders'

Meeting and exercise of voting rights”).

The registration form sent to stockholders with the Annual Stockholders' Meeting documents 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 “Prerequisites for 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 issue a proxy to the proxy holders designated by the Company or another third party 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 21, 2023, 24:00, shall be required in all cases (see “Prerequisites for 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 27, 2023 (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 27, 2023, 24:00.

Bayer Aktiengesellschaft
c/o Computershare Operations Center
80249 Munich, Germany

Email address: anmeldestelle@computershare.de

Proxies and voting instructions may be issued via the "Stockholders' Portal" (see "Prerequisites for participation in the virtual Annual Stockholders' Meeting and exercise of voting rights") using the (online) form provided there up to the time when voting is closed by the chair 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 with the Annual Stockholders' Meeting documents and on the website at www.bayer.com/stockholders-meeting.

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 who is not subject to the provisions of Section 135 of the AktG (in particular, the appointment of intermediaries, stockholder associations and voting rights consultants):

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 27, 2023 (the date the post is received) or by email to the email address indicated above by Thursday, April 27, 2023, 24:00. It is possible to issue or cancel a proxy via the "Stockholders' Portal" (see "Prerequisites for participation in the virtual Annual Stockholders' Meeting and exercise of voting rights") up to the time when voting is closed by the chair on the day of the Meeting in regard to the exercise of voting rights and up until the Meeting is closed in regard to all other aspects.

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 submitted 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), 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, 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 "Prerequisites for 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 21, 2023, 24:00, shall be required in all cases (see "Prerequisites for 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 by post. Postal votes can be submitted in writing in a letter, electronically by email or via the "Stockholders' Portal". Registration by Friday, April 21, 2023, 24:00, shall be required in all cases (see "Prerequisites for 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 27, 2023, (the date the post is received). Postal votes by email to the address indicated below must be received by the Company by Thursday, April 27, 2023, 24:00:

Bayer Aktiengesellschaft
c/o Computershare Operations Center
80249 Munich, Germany

Email address: anmeldestelle@computershare.de

It is possible to submit postal votes via the "Stockholders' Portal" (see "Prerequisites for participation in the virtual Annual Stockholders' Meeting and exercise of voting rights") using the (online) form provided there up to the time when voting is closed by the chair 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 to the proxy holders designated by the Company by the specified deadline through several media (by letter, by email, 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. 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 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 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 28, 2023. 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 13, 2023, to the following address

Bayer Aktiengesellschaft

Building Q 26 (Legal Department)

Kaiser-Wilhelm-Allee 20

51373 Leverkusen, Germany

Email address: hv.gegenantraege@bayer.com

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

Under Section 126, Paragraph 4 of the AktG, motions to be made available within the meaning of Section 126 of the AktG and proposals for election within the meaning of Section 127 of the AktG are deemed to be submitted at the point in time when they are made available. Voting rights on such motions and proposals for election may be exercised as soon as stockholders can demonstrate that they fulfill the prerequisites under law or under the Articles of Incorporation for the exercise of voting rights, i.e. following correct registration by 24:00 on Friday, April 21, 2023 (see "Prerequisites for participation in the virtual Annual Stockholders' Meeting and exercise of voting rights"). If the stockholder putting the motion or submitting the proposal for election has not duly proven his or her identity and registered for the Annual Stockholders' Meeting, the motion does not need to be deliberated on at the Meeting.

Stockholders that have joined the Meeting electronically may, pursuant to Section 118a, Paragraph 1, Sentence 2, No. 3 of the AktG in conjunction with Section 130a, Paragraph 5, Sentence 3 of the AktG, also submit motions and proposals for election to the Annual Stockholders' Meeting under their right to speak by means of video communication via the "Stockholders' Portal".

Right to submit statements

Stockholders may submit statements on matters on the agenda before the Annual Stockholders' Meeting pursuant to Section 130a, Paragraphs 1, 2 and 4 of the AktG. Statements from stockholders will be published only if the latter have correctly registered by 24:00 on Friday, April 21, 2023 (see

“Prerequisites for participation in the virtual Annual Stockholders' Meeting and exercise of voting rights”).

Statements are to be submitted to the Company in text form by 24:00 on Saturday, April 22, 2023 by means of electronic communication via the “Stockholders' Portal” at www.stockholders-portal.bayer.com. A statement must not exceed 10,000 characters in length. Motions, proposals for election, requests for information and objections to the resolutions of the Annual Stockholders' Meeting set out in the statements submitted will not be taken into account. These can be submitted only in the way separately described in this Notice.

Statements to be made available will be published pursuant to Section 130a, Paragraphs 3 and 4 of the AktG by 24:00 on Sunday, April 23, 2023 at the latest on the web page www.bayer.com/stockholders-meeting along with disclosure of the name of the stockholder submitting the statement.

Right to speak

Stockholders that have joined the Meeting electronically have the right to speak at the virtual Annual Stockholders' Meeting by means of video communication pursuant to Section 130a, Paragraphs 5 and 6 of the AktG. Motions and proposals for election pursuant to Section 118a, Paragraph 1, Sentence 2, No. 3 of the AktG and all requests for information pursuant to Section 131 of the AktG may be included in the speech.

Speeches can be registered via the “Stockholders' Portal” (see “Prerequisites for participation in the virtual Annual Stockholders' Meeting and exercise of voting rights”) once called upon by the chair of the Meeting.

Minimum technical requirements for live video transmission are an internet-enabled device with camera and microphone which can be accessed from the browser, as well as a stable internet connection. Recommendations for ensuring optimal functioning of video communication can be found at www.bayer.com/stockholders-meeting. The Company reserves the right to check the proper functioning of video communication between the stockholder and the Company at the Meeting and before the speech and to reject the speech if proper functioning is not ensured.

Right of information

In accordance with Section 131, Paragraph 1 of the AktG, each stockholder is entitled to request and receive information from the Board of Management during the Annual Stockholders' Meeting on issues relating to the Company, provided that the information is required for the due and proper assessment of an item on the agenda, and there is no right to refuse disclosure. The duty of disclosure also extends to the legal and business relationships of the Company with an affiliated company and the position of the Group and the companies included in the consolidated financial statements.

The chair of the Meeting plans to establish pursuant to Section 131, Paragraph 1f of the AktG that the right to information and to ask follow-up questions at the Meeting may be exercised solely by means of video communication via the "Stockholders' Portal" (see "Prerequisites for participation in the virtual Annual Stockholders' Meeting and exercise of voting rights").

Stockholders that have joined the Meeting may submit requests pursuant to Section 131, Paragraphs 4 and 5 of the AktG by means of electronic communication, likewise via the "Stockholders' Portal".

Right to object

Stockholders that have joined the Meeting electronically have the right to declare an objection for entry on the record against the resolutions of the Annual Stockholders' Meeting by means of electronic communication pursuant to Section 118a, Paragraph 1, Sentence 2, No. 8 of the AktG in conjunction with Section 245 of the AktG. Such objections are to be submitted electronically via the "Stockholders' Portal" (see "Prerequisites for 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 pursuant to Section 124a of the AktG, as well as 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 web page 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.

Leverkusen, March 2023

Bayer Aktiengesellschaft

The Board of Management

Masthead**Publisher**

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Germany

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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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