



**Declaration by the Board of Management and the Supervisory Board of Bayer AG  
concerning the German Corporate Governance Code (June 18, 2009 version)  
pursuant to Section 161 of the German Stock Corporation Act\***

Under Section 161 of the German Stock Corporation Act, the Board of Management and the Supervisory Board of Bayer AG are required to issue an annual declaration that the company has been, and is, in compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger), or to advise of any recommendations that have not been, or are not being, applied. The declaration pursuant to Section 161 of the Stock Corporation Act shall be available to shareholders at all times. An annual declaration was last issued in December 2008.

With respect to the past, the following declaration refers to the June 6, 2008 version of the Code. With respect to present and future corporate governance practices at Bayer AG, the following declaration refers to the recommendations in the June 18, 2009 version of the Code.

The Board of Management and the Supervisory Board of Bayer AG hereby declare that the company has been in compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette since issuance of the last declaration of conformity in December 2008 and is in compliance with the following exception:

D&O insurance with an appropriate deductible exists for the Members of the Supervisory Board, but the amount of the deductible is not in compliance with the recommendation given in Section 3.8 Paragraph 2 of the Code.

The D&O insurance is a group policy for numerous persons for whom a deductible in the recommended amount has not currently been agreed. For the Board of Management, it is planned to agree a deductible in line with the provisions of the German Law on the Appropriateness of Management Board Compensation when the policy next comes up for renewal on April 1, 2010. In this connection it is also planned to agree a corresponding deductible for the Supervisory Board. The company will therefore be in compliance with the recommendations of the Code from that date.

Leverkusen, December 2009

For the Board of Management:

For the Supervisory Board:

Wenning

Kühn

Dr. Schneider