

Notice of Meeting

Our stockholders are hereby invited to attend the Annual Stockholders' Meeting to be held on Tuesday, May 12, 2009 at 10:00 a.m., Düsseldorf Exhibition Center (Messe Düsseldorf), Messeplatz, Hall 8b, 40474 Düsseldorf.

Agenda

1. Submission of the approved financial statements of Bayer AG and consolidated financial statements of the Bayer Group, the management report of Bayer AG and the Bayer Group, the report of the Supervisory Board as well as the explanatory report by the Board of Management on takeover-relevant information for the fiscal year 2008 and the resolution on the distribution of the profit

The Board of Management and the Supervisory Board propose to use the entire balance sheet profit in the amount of EUR 1,070,080,515.00 to distribute a dividend of EUR 1.40 for each share entitled to a dividend.

If the Company holds treasury shares at the time of the Annual Stockholders' Meeting which are not entitled to a dividend, a proposed resolution, modified accordingly, on the use of the balance sheet profit will be submitted to the Annual Stockholders' Meeting which, in addition to the distribution of a dividend of EUR 1.40, for each share entitled to a dividend, will provide for showing a profit carry-forward in the amount of the remaining profit.

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

The Board of Management and the Supervisory Board propose to ratify the actions of the members of the Board of Management holding office in the fiscal year 2008 with respect to that year.

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

The Board of Management and the Supervisory Board propose to ratify the actions of the members of the Supervisory Board holding office in the fiscal year 2008 with respect to that year.

4. Authorization to acquire treasury shares and to sell treasury shares subject to exclusion of the subscription right or a potential tender right

In light of the expiration on October 24, 2009 of the authorization resolved in the last Annual Stockholders' Meeting, the Board of Management shall be authorized to acquire treasury shares, subject to canceling the previous authorization.

The Board of Management and the Supervisory Board propose that the following resolution be adopted:

- a) The Company is authorized until November 11, 2010 to acquire treasury shares up to a total amount of 10% of the share capital of the Company existing at the time the resolution is adopted with the stipulation that the shares acquired under this authority together with other shares of the Company which the Company has already acquired or still possesses or can be assigned according to §§ 71 d and 71 e German Stock Corporations Act [Aktiengesetz, "AktG"] at no time exceed 10% of the share capital of the Company. The tender can only take place through the stock exchange or by means of a public tender offering and must conform to the principle of equal treatment of stockholders (§ 53 a AktG). When the tender occurs on the exchange, the purchase price paid by the Company (without ancillary costs for the tender) cannot be more than 10% higher or 10% lower than the exchange price for the shares of the Company in XETRA trading (or a comparable successor system) on the Frankfurt Securities Exchange as determined by the opening auction on the trade date. When the tender occurs by means of a public tender offering the offer price paid by the Company (without ancillary costs for the tender) cannot be more than 10% higher or 10% lower than the exchange price for the shares of the Company in XETRA trading (or a comparable successor system) on the Frankfurt Securities Exchange as determined by the closing auction on the last trading day before the announcement of the tender offer. If the total number of the shares tendered in a public tender offer exceed the volume, the tender may proceed on the basis of the proportion of the tendered shares (tender ratio); furthermore a preferred acceptance of a limited number of shares (up to 50 shares per stockholder) as well as rounding according to business principles for the avoidance of fractional shares is intended. Any further stockholder tender rights are precluded. The currently existing authorization for the tender of treasury shares, which is limited until October 24, 2009, is cancelled upon this new authorization taking effect. The current authorization for use of already acquired shares remains unaffected.
- b) The authorization can be exercised either in full or in several installments. The authorization can be exercised on behalf of the Company by affiliated group companies as determined by § 17 AktG or by third parties acting on its or their behalf. The authorization can be exercised for any legally permitted purpose in particular to pursue one or more of the purposes set forth in points c), d), e) and f). Trade in treasury shares is excluded. If the use of the acquired treasury shares occurs for one or more of the purposes set forth in points c), d) or e), the subscription right of the stockholders is excluded. The sale of the acquired shares on the exchange also precludes the stockholders' subscription right. In the case of a sale of the acquired treasury shares by means of a public offering to stockholders, the Board of Management is authorized to exclude the subscription right of stockholders for fractional amounts.
- c) The Board of Management is authorized to sell the treasury shares acquired under the preceding authorization also in a manner other than through the stock exchange or an offer to all stockholders, provided that the sale is for cash payment and at a price which does not materially fall below the stock exchange price of the shares of the Company at the time of the sale.

This authorization is limited to shares representing a proportionate amount of the share capital which cannot exceed a total of 10% of the share capital either at the time this authorization takes effect or, if the value is lower, at the time of exercise of the preceding authorization. The maximum limit of 10% of the share capital is reduced by the proportionate amount of the share capital attributable to those shares which are issued during the term of this authorization in the course of a capital increase which excludes the subscription right pursuant to § 186 para. 3 sentence 4 AktG. The maximum limit of 10% of the share capital is further reduced by the proportionate amount of the share capital which is

attributable to those shares to be issued for the purpose of servicing bonds with options/or convertible bonds if the bonds are issued during the term of this authorization subject to exclusion of the subscription rights in corresponding application of § 186 para. 3 sentence 4 AktG.

- d) The Board of Management is authorized to transfer treasury shares which have been acquired under the above authorization to third parties to the extent that this is for the purpose of acquiring companies, divisions of companies or participation in companies or other assets or for implementing mergers with companies.
- e) The Board of Management is authorized to offer the treasury shares acquired on the basis of the above authorization to managers of the Company and of subordinate, affiliated companies and to employees of the Company and of subordinate, affiliated companies in the context of stock option programs of the years 2000-2002 (hereinafter, "Stock Programs"), Module 1 of the Stock Participation Program (hereinafter "SPP") as well as for the Stock Incentive Program (hereinafter "SIP"). These programs are substantially shown in the overview provided at the end of this authorization.
- f) The Board of Management is authorized to cancel the treasury shares acquired under the above authorization or under a previously granted authorization without any additional resolution of the Annual Stockholders' Meeting. The cancellation can also occur without a reduction in capital by adjusting the proportionate amount of the remaining shares in the share capital of the Company. The Board of Management is authorized in this event to adjust the number of the shares in the Articles of Association.
- g) The Board of Management can make use of the authorizations in points c) and d) only with the consent of the Supervisory Board. Additionally, the Supervisory Board can determine that measures of the Board of Management under this resolution of the Annual Stockholders' Meeting can only be taken with its consent.
- h) The authorities for use of treasury shares in c) through f) apply on the basis of an earlier authorization granted by the Annual Stockholders' Meeting to treasury shares. Insofar the subscription right of stockholders is excluded. With respect to the requirement of the Supervisory Board's consent, g) applies accordingly.

OVERVIEW OF THE STOCK PROGRAM

Stock Options

Each participant in one of the two Stock Programs is entitled to obtain shares in the Company under the following terms and conditions. Each right to obtain shares in the Company is referred to hereinafter as a "Stock Option."

Authorized participants

The authorized participants in the SPP are, as a general rule, all employees under union contracts as well as management employees and employees in the contract levels 1 through 3 of the Company if they were in a permanent employment relationship which had not been terminated at the time of the commitment and had received a variable onetime payment for the respective previous year at that time. The above also applied for employees of subsidiary companies if they had also offered an SPP.

The authorized participants of the SIP were all management personnel in the contract levels 4 and 5 of the Company if they were in a permanent employment relationship which had not been terminated at the time of the commitment, were not a member in one of the Group management bodies and had received a variable one-time payment for the respective previous year at that time. The above applied also for management personnel in a comparable function at subsidiary companies participating in the program.

Prerequisites for participation

The prerequisite for participation in the Stock Programs was making an individual investment in shares of the Company by the respective participant (hereinafter, the "Investment Shares"). The maximum number of the Investment Shares was dependent on the individual variable compensation of each authorized participant as well as the share price at the time of the commitment. For each ten (10) Investment Shares, the participant in Module 1 of the SPP received five (5) Stock Options, each for one share in the Company. For each ten (10) Investment Shares, the participant in the SIP received ten (10) Stock Options, each for one share in the Company.

Term/Content of the program

Both Stock Programs from the years 2000 through 2002 (SPP Module 1, SIP) have a total term of ten years each. The programs from the years 2003 and 2004 are directed exclusively towards cash compensation and are not the subject of this resolution. The employee share programs in the years 2005, 2006 and 2007 are also not the subject of the resolution.

During the term, each participant can receive additional shares in the Company free of charge (hereinafter, the "Incentive Shares") for each ten Investment Shares; in the case of the SPP, a maximum of five Incentive Shares and in the case of the SIP, a maximum of ten Incentive Shares. The prerequisite is that the Investment Shares have remained in the securities account of the employee from the start of the program until the respective incentive date. In the case of the SIP, the allocation of Incentive Shares is linked to an additional prerequisite. Incentive Shares in the case of the tranches established prior to 2003 are provided in this case only if the performance of the shares of the Company (measured on a total return basis) is better than the benchmark index Dow Jones EURO STOXX 50SM (Performance Index).

The basis for determining the performance of the shares compared to the performance of the index are the average exchange prices for the respective last ten trading days on the exchange prior to the start of the program or prior to the respective incentive date in the closing auction in XETRA trading (or a comparable successor system) of the Frankfurt Securities Exchange. In the case of the tranches established prior to 2003, in addition to the development of the exchange price of the shares of the Company, the dividend payments, capital measures, the value of subscription rights as well as other special rights are also to be taken into account using the same criteria as in the Dow Jones EURO STOXX 50SM (Performance Index). In connection with the spin-off of the Lanxess division, tranches of the Stock Programs which are still continuing were adjusted in such a manner that the economic dilution and a loss in value resulting from the spin-off were substantially compensated for.

One portion of the stock options can be exercised in each case after a waiting period of two years, the other portion upon expiration of a total of six years and the rest after ten years. If the above conditions have been satisfied, the participants will be allocated the following Incentive Shares at the following times for each ten Investment Shares which have been deposited:

Investment Date	SPP	SIP
(upon expiration of:)	(number of Incentive Shares)	(number of Incentive Shares)
two years	1	2
six years	2	4
ten years	2	4

The allocation of the Incentive Shares is free of charge for all entitled persons.

Non-transferability/Employment relationship

The Stock Options, i. e. the right to Incentive Shares, are not transferable by way of a transaction. Generally, the Incentive Shares can only be allocated if the participant at the time of allocation is in an existing service or employment relationship with the Company or with a subordinate, affiliated company which has not been terminated.

5. Conversion of bearer shares to registered shares and the corresponding changes to the Articles of Incorporation as well as the adaptation of Annual Stockholders' Meeting resolutions

Under the German Stock Corporation Act (AktG), shares in a company are either in registered or in bearer form. Both forms of shares are prevalent in Germany and well established; this also applies to entities with a large number of stockholders. The shares of Bayer AG have to date been in the form of bearer shares.

Management recommends a conversion to registered shares since registered shares facilitate communication between the Company and its stockholders and leads to improved transparency in regard to the company's ownership structure.

For the purposes of the complete conversion to registered shares, it is proposed that the Articles of Incorporation including the authorized capital specified therein, as well as the existing authorization for the granting of conversion and subscription rights and/or for the imposition of conversion or subscription obligations and the conditional capital to secure them, be amended as follows.

The Board of Management and the Supervisory Board propose the following resolution;

- a) (1) Upon the entry into force of the amendments to the Articles of Incorporation set forth under (2) below, the existing bearer shares of the Company shall be converted into registered shares with retention of the current denomination.

- (2) § 4 para. 1 of the Articles of Incorporation shall be amended to replace the words "bearer shares" by the words "registered shares" and shall read as follows:

"The capital stock amounts to EUR 1,956,721,996.80 and is divided into 764,344,530 registered shares (no-par shares)."

In the case of changes to the amount of capital stock and the number of shares after the resolution by the Annual Stockholders' Meeting the Supervisory Board is authorized to carry out adjustments of amount and number information in the filing for registration of changes of the Articles of Incorporation to the Commercial Registry.

- (b) § 4 para. 2 sentence 1 and 2 of the Articles of Incorporation shall be amended as follows:

"The Board of Management with the consent of the Supervisory Board is authorized to increase the capital stock until April 27, 2011 in one or more installments by issuing new registered no-par shares by up to a total amount of EUR 465,000,000.00. The issue of new registered no-par shares may take place in exchange for cash and/or contributions in kind, a capital increase in exchange for contributions in kind only being permissible up to a total amount of EUR 370,000,000.00 (Authorized Capital I)."

- (c) § 4 para. 3 sentence 1 of the Articles of Incorporation shall be amended as follows:

"The Board of Management with the consent of the Supervisory Board is authorized to increase the capital stock until April 26, 2012 by up to a total amount of EUR 195,000,000.00 in one or more installments by issuance of new registered no-par shares in exchange for cash contributions (Authorized Capital II)."

- (d) (1) Authority I granted to the Board of Management by the Annual Stockholders' Meeting of 2008 under agenda item 5 a to issue or to guarantee at one or more times and with the consent of the Supervisory Board until April 24, 2013 bearer bonds with options or conversion rights, profit sharing rights or profit participation bonds or a combination of these instruments (together, the "Bonds") in a total nominal amount up to EUR 6 billion and to grant option rights to the holders of bonds with warrants and to grant conversion rights to the holders of convertible bonds for bearer shares in the Company representing a proportionate amount of the share capital in a total of EUR 195,584,000 as further specified in the terms and conditions of the bonds with warrants or the convertible bonds will be changed such that in the place of the authority to grant option rights and/or conversion rights or option obligations or conversion obligations to bearer shares the authority applies to option rights and/or conversion rights or option obligations or conversion obligations to registered shares.
- (2) The resolution by the Annual Stockholders' Meeting of 2008 under agenda item 5 b to increase the conditional capital by up to EUR 195,584,000 through the issuance of up to 76,400,000 new bearer shares with a proportionate amount of the share capital of EUR 2.56 each shall be changed such that the increase shall be carried out through the issuance of registered shares in place of the issuance of bearer shares.
- (3) § 4 para. 5 sentence 1 of the Articles of Incorporation shall be changed as follows:
- "The capital stock is conditionally increased by up to an additional EUR 195,584,000 allocated to up to 76,400,000 registered shares (Conditional Capital 2008 I)."
- e) (1) Authority II granted to the Board of Management by the Annual Stockholders' Meeting of 2008 under agenda item 6 a to issue or to guarantee at one or more times with the consent of the Supervisory Board until April 24, 2013 bearer bonds with options or conversion rights, profit sharing rights or profit participation bonds or a combination of these instruments (together, the "Bonds") in a total nominal amount up to EUR 6 billion and to grant option rights to the holders of bonds with warrants and to grant conversion rights to the holders of convertible bonds for bearer shares in the Company representing a proportionate amount of the share capital in a total of EUR 195,584,000 as further specified in the terms and conditions of the bonds with warrants or the convertible bonds will be changed such that in the place of the authority to grant option rights and/or conversion rights or option obligations or conversion obligations to bearer shares the authority applies to option rights and/or conversion rights or option obligations or conversion obligations to registered shares.
- (2) The resolution by the Annual Stockholders' Meeting of 2008 under agenda item 6 b to increase the conditional capital by up to EUR 195,584,000 through the issuance of up to 76,400,000 new bearer shares with a proportionate amount of the share capital of EUR 2.56 each shall be changed such that the increase shall be carried out through the issuance of registered shares in place of the issuance of bearer shares.
- (3) § 4 para. 6 sentence 1 of the Articles of Incorporation shall be changed as follows:
- "The capital stock is conditionally increased by up to an additional EUR 195,584,000 allocated to up to 76,400,000 registered shares (Conditional Capital 2008 II)."

(f) § 15 para. 1 and 2 shall be changed as follows:

“(1) Only those stockholders shall have the right to participate in the Stockholders’ Meeting and to exercise voting rights who are recorded in the share registry and have registered for the Stockholders’ Meeting in the time permitted.

(2) The last possible registration day is determined by law. The registration must be received by the Company no later than this day at the address provided in the notice. Details will be made public in the invitation to the Annual Stockholders’ Meeting in business publications.”

6. Consent for the transmission of information by means of data telecommunication and the corresponding change to the Articles of Incorporation

Upon effectiveness of the proposed conversion from bearer shares to registered shares, the Board of Management must in the future notify stockholders recorded in the share registry of the convening of the Annual Stockholders’ Meeting and the agenda. This may in future occur in electronic form, namely by means of the sending of E-mails.

The prerequisite for a transmission of information to stockholders by means of E-mails is the explicit approval by stockholders for the transmission to occur through data telecommunication or the failure to object to a request for consent made within an appropriate time period in written form and the failure to withdraw their consent provided in this manner at a later date. A further prerequisite according to § 30 b para. 3 number 1 a) WpHG German Securities Law is that the Annual Stockholders’ Meeting has consented to this form of transmission.

The Board of Management and Supervisory Board recommend therefore the following resolution:

a) The Annual Stockholders’ Meeting consents to the transmission of information to holders of shares approved by the Company by means of data telecommunication.

b) The Articles of Incorporation shall be changed as follows:

(1) The title of § 3 shall be changed as follows:

“Fiscal year, Notices, Transmission of Information, Place of Jurisdiction”

(2) § 3 para 2 shall be expanded with the following sentence 2:

“The transmission of information to stockholders may also occur by means of data telecommunication.”

7. Election of the auditor for the fiscal year 2009 and the audit review of the half-year financial report

The Supervisory Board proposes that PricewaterhouseCoopers Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Essen, be elected as auditor for the fiscal year 2009 and for the audit review of the half-year financial report.

REPORT TO AGENDA ITEM 4

§ 71 para. 1 no. 8 AktG offers stock corporations the possibility to acquire treasury shares of up to a total of 10% of their share capital on the basis of an authorization by the Annual Stockholders' Meeting. Agenda item 4 contains the recommendation to grant a corresponding authorization limited to 18 months. This is intended to enable the Board of Management to acquire treasury shares in the interest of the Company and its stockholders on an exchange or through a public tender offer up to a total amount of 10% of the current share capital of the Company. The tender may also be carried out on behalf of the Company by affiliated group companies (according to the meaning of § 17 AktG) and third parties acting its or their behalf.

The principle of equal treatment of § 53 a AktG must be observed from the beginning if the tender occurs through a public tender offer as well as the tender of shares on an exchange. If the number of shares offered at a fixed price exceeds the number of shares demanded by the Company, it should be possible under the recommended authority that the tender should occur according to the relation of the tendered shares (tender rate). Only when a tender occurs principally according to the tender rate instead of the holding rate, can the tender process be technically concluded in an economically reasonable fashion. Furthermore it should be possible to preferentially accept smaller numbers of shares up to a maximum of 50 shares per stockholder. To one extent this ability serves to avoid small normally uneconomical remnants and a potential accompanying disadvantage for small stockholders. To another extent it serves to simplify the technical settlement of the tender process. Finally in all cases a rounding according to business principles for the avoidance of fractions of shares is intended. This also serves to simplify the technical settlement. The Board of Management in conformity with the Supervisory Board finds an exclusion of any additional stockholder tender rights justified as well as appropriate vis-à-vis the stockholders.

The treasury shares acquired by the Company can be sold again over an exchange or by means of a public offering to all stockholders. In this regard the principle of equal treatment of the stockholders is observed in the sale of the shares. To the extent shares are sold by means of an offer to all stockholders, the Board of Management shall be authorized to exclude stockholder subscription rights for fractional amounts of shares. The ability to exclude subscription rights for fractional amounts serves to produce a technically feasible subscription ratio. The fractional shares excluded from the stockholder subscription rights will be either sold over an exchange or disposed of in another manner in the best interest of the Company. The potential dilution effect is marginal due to the limitation of the fractional amounts.

Furthermore, under the recommended authority the Company can also sell the acquired shares on cash terms outside of an exchange and without a public offer directed to stockholders if the sale price at the time of the sale does not materially fall below the exchange quotation. The ability of this authorization, available under § 71 para. 1 no. 8 AktG in corresponding application of § 186 para. 3 sentence 4 AktG for facilitating an exclusion of the subscription right is invoked. This serves, in the interests of the Company, to reach a best possible price at the sale of the treasury shares. The Company would thus be in the position of being able to react quickly, flexibly and cost effectively to beneficial situations on the stock exchange. Sale proceeds recoverable through price determination close to the market generally lead to a considerably higher cash inflow per share sold than in the case of a share placement with a subscription right which normally incurs a substantial deduction from its market price. Through the avoidance of the time and cost intensive settlement of the subscription right, stockholder equity needs can be covered through timely short term market opportunities. The asset and voting interests of the stockholders will be appropriately protected. The authorization on excluding subscription rights under § 186 para. 3 sentence 4 AktG when selling treasury shares or options and/or convertible bonds is limited to a maximum amount of 10% of the share capital of the Company, including any authorizations for the issuance of new shares or convertible bonds excluding the subscription right

according to, pursuant to, or in the meaning of § 186 para. 3 sentence 4 AktG. Determinative is the share capital upon effectiveness of the authority or at its use, whichever value is smaller. This addresses the question of protecting stockholders against dilution of their holdings, such that the shares can only be sold at a price which does not materially fall below the controlling exchange price. The final determination of the sale price for the shares occurs promptly before the sale. The Board of Management will endeavor – under consideration for the current market conditions – to keep a potential deduction from the exchange price as low as possible. Interested stockholders can maintain their holding quota at the substantially same terms through purchases on the market. The entire trading volume in the 2008 calendar year was more than 200% of the capital stock of the Company.

The Company should retain the possibility to transfer its shares as consideration to third parties to the extent that it is used for the purpose of acquiring companies, portions of companies, or interests in companies or other assets or to transact business mergers. At the same time the stockholders' subscription right should be excluded. The Company competes globally. It must at any moment be in the position to quickly and flexibly trade on the national and international markets. This also includes the ability to improve its competitive position by combining with other companies or acquiring companies, portions of companies and interests in companies. In particular in connection with the acquisition of companies or portions of companies it can be economically meaningful to acquire other assets that could economically serve the Company or segment of the Company. The optimal case in the interest of the Company would be the single case where a company combination or the acquisition would be conducted under warranty of the shares of the acquiring company. Practice further shows that on the international as well as the national markets the procurement of shares of the acquiring company is often demanded as consideration in the scope of corporate mergers or for attractive acquisition objects. The possibility to grant shares for this purpose is already envisaged by Authorized Capital I in § 4 of the Articles of Incorporation. Beyond this the possibility to grant shares of the Company should exist without having to execute an increase in the capital stock especially because of the time consuming requirements of entry into the commercial registry and the associated higher administrative costs. The recommended authorization should give the Company the necessary latitude to quickly and flexibly take advantage of opportunities for business mergers or acquisitions. This would not be possible if subscription rights were granted and the associated advantages would not be available to the Company. There are currently no specific plans for a business combination or acquisition which would make use of this possibility. When the respective plans become more specific, the Board of Management will carefully examine whether the authority to grant shares should be used. When determining the relative valuation, the Board of Management will ensure that the interests of the stockholders are reasonably protected. The Board of Management will normally base its determination of the value of the shares being provided as consideration on the stock exchange price of the shares of the Company. A fixed link to a stock exchange price is not contemplated, especially so as not to call into question achieved results of negotiations because of fluctuations in the stock exchange price.

Furthermore, the terms in e) of the resolution proposal would enable the Company to use treasury shares in order to service stock programs from the years 2000 – 2002.

The grant of Stock Options and subscription rights to employees and management personnel which entitle them under certain conditions to obtain shares in the Company is an internationally common method of compensation. This is intended to create an incentive to additionally increase the value of the Company by special efforts, and thus to promote the development of the stock exchange price of the shares of the Company in the interests of the stockholders and the Company, also when compared to other businesses. At the same time, the aim is to attract qualified employees and management personnel to the Bayer Group and retain them in the Bayer Group over the long-term. In light of this purpose, shares acquired to service the Stock Pro-

grams 2000 – 2002 cannot be offered to stockholders in the event of a sale, but only to the participants in the Stock Programs 2000 – 2002. All material provisions in the relevant Stock Programs are already set forth in the proposal for the resolution. Therefore, only the most important aspects are explained below:

The proposed authorization is intended to permit the Company to service the Module 1 of the SPP and the SIP using treasury shares. The Stock Programs which are to be serviced using treasury shares on the basis of the proposed authorization of the Annual Stockholders' Meeting are based on two or three aspects respectively, which correspond to the specific interests of the Company and its stockholders. The first aspect consists in the respectively established waiting periods which create a mid to long-term relationship between the management personnel and employees and the Bayer Group. These waiting periods exceed the waiting periods in stock programs of other companies, in some cases to a substantial degree.

The second aspect is based in personal investment. Only if the relevant employees and management personnel invest in shares of the Company for their own account, and thus for their own risk, can they participate in the Stock Programs as has been described. Accordingly, the Stock Programs have particular importance and a particular weight which differentiate them from many other stock programs of other companies. Not only do the respective employees and management personnel have the opportunity to participate in the development of the Company by using increased efforts, they are also at risk with their own resources, as is the case with the other stockholders. The third aspect consists of additional prerequisites for exercising the rights.

The participants in the SPP have two available modules. While Module 2, for which no resolution is required here, corresponds to the structure of a normal employee stock program which can be serviced under § 71 para. 1 no. 2 AktG using treasury shares of the Company which are acquired by the Board of Management on the market, Module 1, as a supplement to § 71 para. 1 no. 2 AktG, is an innovative employee stock model which makes the grant of additional shares in the Company dependent on remaining with the Bayer Group and holding a personal investment.

The participants in the SIP only receive Incentive Shares if the performance of the stock of the Company for tranches up to and including 2002 (on a total return basis) in each case during the relevant period was better than the performance of the Dow Jones EURO STOXX 50SM (Performance Index). The management personnel of the Bayer Group, therefore, are prepared to have their performance measured against the performance of the most important listed companies in the European economic region. The Stock Programs represent in each case elements of compensation which expand the already existing variable compensation components for the purpose of developing even greater motivation and are intended to contribute to a long-term increase in the value of the business. Upon the grant of the Incentive Shares, the management personnel will therefore have already earned them as consideration as a result of their own personal performance. The shares are thus issued free of charge.

During the year 2008, 67,520 shares were granted free of charge under the SPP Module 1 incentive program, and 16,860 shares were granted free of charge under the SIP incentive program to employees and management personnel.

Finally, the authorization permits the Company to cancel treasury shares without requiring any further resolution from the Annual Stockholders' Meeting. The authorization permits the Company to react in a reasonable and flexible manner to the respective situation in the capital markets. Pursuant to § 237 para. 3 no. 3 AktG, the proposed authorization provides that the Board of Management can also cancel the shares without a reduction of capital. By canceling the shares

without a reduction of capital, the proportionate amount of the remaining shares in the share capital of the Company is increased. The Board of Management is authorized in this regard to adjust the Articles of Association with regard to the altered number of shares.

According to g) of the resolution proposal the Board of Management shall only with the consent of the Supervisory Board make use of the authority to sell shares outside of an exchange without an offer directed to all stockholders for cash consideration as well as the authority to transfer shares to third parties to the extent that it serves the purpose of conducting acquisitions of companies, portions of companies, or interests in companies. Furthermore the Supervisory Board shall be able to determine that the measures taken by the Board of Management on the basis of the proposed resolution of the Annual Stockholders' Meeting may only be affected with its consent.

Irrespective of the ability on the basis of the proposed tender authority to use acquired shares according to c) through f) of the resolution proposal, the authority to use shares in c) through f) which were acquired through the authority granted by an earlier Annual Stockholders' Meeting should additionally be effective. The stockholders' subscription right should also to this extent be precluded. The aforesaid shall apply with respect to the basis for the preclusion of the subscription right. With respect to the requirement of the Supervisory Board's consent, g) of the resolution proposal shall apply.

The Board of Management in conformity with the Supervisory Board finds an exclusion of any additional stockholder subscription rights in the cited cases and for the stated reasons, also in consideration of a possible dilution effect justified as well as appropriate vis-à-vis the stockholders. The Board of Management shall appraise the next Annual Stockholders' Meeting regarding the use of this authority.

Commencing with the date when the Annual Stockholders' Meeting is called, the following documents in particular are available for review by stockholders in the offices of the Company at building Q 26 (Legal Department), Kaiser-Wilhelm-Allee, 51373 Leverkusen and copies of them will be provided to each stockholder upon request without undue delay and free of charge. The documents can also be reviewed on the Internet at <http://www.ASM2009.BAYER.COM>:

- Annual Financial Statements, Consolidated Financial Statements, Management Reports for the Company and the Group, Report of the Supervisory Board, Explanatory Report by the Board of Management on takeover-relevant information, Proposal of the Board of Management for the distribution of the balance sheet profit of Bayer AG (Agenda Item 1)
- Report of the Board of Management pursuant to § 71 para. 1 no. 8 AktG in conjunction with § 186 para. 4 sentence 2 AktG (Agenda Item 4)

PARTICIPATION IN THE ANNUAL STOCKHOLDERS' MEETING AND TOTAL NUMBER OF SHARES AND VOTING RIGHTS

Participation in the Annual Stockholders' Meeting and exercise of voting rights are reserved for those stockholders who are registered at the latest by the end of the day on May 5, 2009 (12:00 Midnight, Central European Summer Time) at the following address:

Bayer Aktiengesellschaft
c/o Deutsche Bank AG
-General Meetings-
Post Office Box 20 01 07
60605 Frankfurt am Main
Telefax: +49 (0)69/12012-86045
Email: WP.HV@Xchanging.com

and have provided to this address at the latest by the end of the day on May 5, 2009 (12:00 Midnight, Central European Summer Time) evidence transmitted by the institution maintaining the securities account that they were stockholders of the Company at the beginning of the day on April 21, 2009, i. e. on April 21, 2009 at 00:00 (Central European Summer Time). The registration and evidence prepared by the institution maintaining the securities account of ownership of shares require the form of text and must be in German or English. The timely receipt at the address provided is determinative for satisfying the deadline.

Entry tickets to the Annual Stockholders' Meeting will be issued to stockholders upon timely receipt at the Company of the registration and evidence of share ownership.

Even after completed registration, stockholders can continue to freely dispose of their shares.

The share capital of the Company on the date of calling this Annual Stockholders' Meeting is divided into 764,344,530 bearer shares which are each entitled to one vote (Information according to § 30 b para 1 sentence 1 nr. 1 alt. 2 WpHG).

PROXIES

Stockholders have the possibility to have their voting rights exercised by a proxy, including by an association of stockholders.

The Company offers its stockholders the possibility to grant proxy to proxy holders designated by the Company but who are bound to the instructions of the stockholders prior to the Annual Stockholders' Meeting for the purpose of exercising the Stockholders' voting rights. The stockholders who wish to grant a proxy to proxy holders designated by the Company require an entry ticket for the Annual Stockholders' Meeting. In order to ensure that the entry ticket is obtained in time, registration and evidence of share ownership should be received by the Company as early as possible.

To the extent that the proxy holders designated by the Company receive proxies, they must always be issued instructions for the exercise of the voting rights. Proxy holders designated by the Company vote only to the extent instructions have been issued. Proxy holders are required to vote in accordance with the instructions.

Proxies and instructions to proxy holders designated by the Company can be issued in writing, by fax, or, if so desired, electronically through the Internet, at www.ASM2009.BAYER.COM, using the procedure established by the Company. Proxies and instructions to the proxy holders designated by the Company which have been issued in writing or by fax must be delivered to the address or fax number given on the entry ticket to the Annual Stockholders' Meeting. The necessary information for receiving authorization for the internet dialog which makes the electronic issuance of authorization and instructions possible for proxies designated by the Company can be found on the entry ticket. Proxies and instructions in writing may be issued until 11 May 2009 (day of receipt at the address indicated on the entry ticket) and proxies and instructions by fax or by internet dialog may be issued until 11 May 2009 (until 12:00 noon, Central European Summer Time). Further information regarding the issuance of authorization and instructions to proxies designated by the Company can as well be found on the entry ticket. Corresponding information is also available on the Internet at www.ASM2009.BAYER.COM.

To the extent the proxy holders not designated by the Company are to be authorized, no terms of the Articles of Incorporation which deviate from provisions of statutory law apply as to the form of the authorization.

PARTIAL TRANSMISSION OF THE ANNUAL STOCKHOLDERS' MEETING ON THE INTERNET

All stockholders of the Company as well as the interested public can follow the speech by the Chairman of the Board of Management at the Annual Stockholders' Meeting on May 12, 2009 starting at approximately 10:15 a.m. live on the internet at www.ASM2009.BAYER.COM. There will be no other video or audio transmission from the Annual Stockholders' Meeting.

OPPOSING MOTIONS FOR RESOLUTIONS AND NOMINATIONS FOR ELECTIONS BY STOCKHOLDERS

Proposals for opposing motions and nominations for elections by stockholders concerning a certain item of the agenda must be addressed exclusively to the following address:

Bayer Aktiengesellschaft
 Building Q 26 (Legal Department)
 Kaiser-Wilhelm-Allee
 51373 Leverkusen
 Telefax: + 49 (0) 214/30-56524

Opposing motions for resolutions and nominations for election by stockholders received at the following address by the end of April 28, 2009 (12:00 midnight, Central European Summer Time), to the extent all other prerequisites for disclosure duty are fulfilled, will be made available without delay at the Internet address www.ASM2009.BAYER.COM including the name of the stockholder, the reason and a position by the administration. A reason for election nominations is not required.

Leverkusen, February 2009
 Bayer Aktiengesellschaft

The Board of Management

This notice is a convenience translation. For the legally binding document, please refer to the original German version which is published on the Internet at www.EBUNDESANZEIGER.DE.