



# *Notice*

of the

**Annual Stockholders' Meeting**

**of Bayer AG on April 26, 2019**

# Contents

## Agenda

1. Presentation of the adopted annual financial statements and the approved consolidated financial statements, the combined management report, the report of the Supervisory Board and the proposal by the Board of Management on the use of the distributable profit for the fiscal year 2018, and resolution on the use of the distributable profit	3
2. Ratification of the actions of the members of the Board of Management	4
3. Ratification of the actions of the members of the Supervisory Board	4
4. Supervisory Board election	4
5. Authorization to acquire and use own shares with the potential disapplication of subscription and other tender rights; use of derivatives in the course of the acquisition	6
6. Election of the auditor for the annual financial statements and of the auditor for the review of the half-yearly and interim financial reports, if applicable	13

## Further Information

Supervisory Board Election	33
Masthead	34
Five-Year Summary	35

# Notice of Meeting

Our stockholders are hereby invited to attend the Annual Stockholders' Meeting to be held at 10:00 hours Central European Summer Time (CEST) on Friday, April 26, 2019, at the World Conference Center Bonn, Entrance to the Main Building, New York Hall, Platz der Vereinten Nationen 2, 53113 Bonn, Germany.

## Agenda

### **1. Presentation of the adopted annual financial statements and the approved consolidated financial statements, the combined management report, the report of the Supervisory Board and the proposal by the Board of Management on the use of the distributable profit for the fiscal year 2018, and resolution on the use of the distributable profit**

The Board of Management and the Supervisory Board propose that the entire distributable profit of EUR 2,611,145,499.20 reported in the annual financial statements for 2018 be used to pay a dividend of EUR 2.80 per share carrying dividend rights.

The dividend amount is determined on the basis of the number of shares carrying dividend rights on the date the 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 Annual Stockholders' Meeting is therefore lower than the number on the date the financial statements were prepared, the Board of Management and the Supervisory Board shall make an adjusted proposal on the use of the distributable profit to the Annual Stockholders' Meeting, to the effect

that the proposed dividend shall remain unchanged at EUR 2.80 per share 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 May 2, 2019.

The annual financial statements prepared by the Board of Management on February 19, 2019, were approved by the Supervisory Board on February 26, 2019, in accordance with Section 172, Sentence 1 of the AktG; the annual financial statements are thus adopted. The Supervisory Board also approved the consolidated financial statements. No resolution on the adoption of the annual financial statements or on the approval of the consolidated financial statements in accordance with Section 173 of the AktG by the Annual Stockholders' Meeting is therefore required. The other documents mentioned above shall be made available to the Annual Stockholders' Meeting in accordance with Section 176, Paragraph 1, Sentence 1 of the AktG without the need for adoption of a resolution, with the exception of the resolution on the use of the distributable profit.

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

The Board of Management and the Supervisory Board propose that the actions of the members of the Board of Management who held office in the fiscal year 2018 be ratified for this period.

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

The Board of Management and the Supervisory Board propose that the actions of the members of the Supervisory Board who held office in the fiscal year 2018 be ratified for this period.

## **4. Supervisory Board election**

The term of office of the stockholders' representative Dr. rer. nat. Simone Bagel-Trah ends on conclusion of the Annual Stockholders' Meeting 2019. A new election is therefore necessary.

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 stockholder representatives have rejected overall fulfillment of this quota on the basis of a majority resolution presented to the Chairman of the Supervisory Board. The minimum quota for this election therefore has to be fulfilled separately by the stockholders' and employees' representatives and comprises three women and three men for each group of representatives. The stockholders' representatives on the Supervisory Board currently comprise three women and seven men, thus the minimum quota is currently being fulfilled.

Based on the recommendation of the Nominations Committee and taking into account the targets determined by the Supervisory Board for its composition and the profile of expertise developed by the Supervisory Board for the overall body, the Supervisory Board proposes that the following candidate be elected as a member of the Supervisory Board with effect from the end of the Annual Stockholders' Meeting 2019 for the period through the end of the Annual Stockholders' Meeting that will resolve on the ratification of her actions for the fiscal year 2023:

**Dr. rer. nat. Simone Bagel-Trah**, Düsseldorf,  
Chairwoman of the Supervisory Board of Henkel AG & Co. KGaA and Henkel Management AG and of the Shareholders' Committee of Henkel AG & Co. KGaA

Dr. rer. nat. Bagel-Trah is a member of the following statutory supervisory boards:

- // Bayer Aktiengesellschaft
- // Henkel AG & Co. KGaA (Chairwoman)
- // Henkel Management AG (Chairwoman)
- // Heraeus Holding GmbH

In addition, Dr. rer. nat. Bagel-Trah is a member of the following comparable supervisory body of a corporation in Germany or abroad:

// Henkel AG & Co. KGaA (Chairwoman of the Shareholders' Committee)

The Supervisory Board has satisfied itself that Dr. Bagel-Trah is able to meet the expected time commitment.

Attention is drawn to the following in accordance with Section 5.4.1, Paragraphs 6 to 8 of the German Corporate Governance Code: Beyond Dr. rer. nat. Bagel-Trah's current membership of the Company's Supervisory Board, the Supervisory Board does not consider there to be any personal or business relationships between Dr. rer. nat. Bagel-Trah on the one hand, and the companies of the Bayer Group, the governing bodies of Bayer Aktiengesellschaft, or any stockholder that directly or indirectly holds more than 10 percent of the voting shares of Bayer Aktiengesellschaft on the other, that are of material significance to the decision of the Stockholders' Meeting regarding their election.

## **5. Authorization to acquire and use own shares with the potential disapplication of subscription and other tender rights; use of derivatives in the course of the acquisition**

The authorization to acquire and use own shares, approved by the Annual Stockholders' Meeting 2014, will expire on April 28, 2019. This authorization is therefore to be rescinded and the Board of Management is again to be authorized to acquire and use own shares for an additional five years. Separate votes will be held on the general authorization to acquire own shares and on the supplementary authorization to use derivatives in the course of the acquisition.

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

- a) The Board of Management is authorized until April 25, 2024, to acquire own shares with a proportionate interest in the capital stock totaling up to 10 percent of the Company's capital stock existing at the date of the resolution, subject to the proviso that the shares acquired as a result of this authorization,

together with other shares of the Company that the Company has already acquired and still holds, or which are attributable to it under Section 71d and Section 71e of the AktG, at no time exceed 10 percent of the capital stock of the Company. The provisions in Section 71, Paragraph 2, Sentences 2 and 3 of the AktG must be complied with.

The Board of Management decides whether shares are acquired (aa) via the stock exchange, (bb) by means of a public purchase offer addressed to all stockholders, or (cc) by means of a public offer addressed to all stockholders to exchange for shares of a publicly listed company as specified in Section 3, Paragraph 2 of the AktG (hereinafter "exchange shares"). In addition, the acquisition of shares must satisfy the principle of equal treatment of stockholders (Section 53a of the AktG).

- aa) If the acquisition takes place via the stock exchange, the purchase price paid by the Company (excluding transaction costs) may neither exceed, nor be lower than, the Company's share price, as determined by the opening auction in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the trading day, by more than 10 percent.
- bb) If the acquisition takes place by means of a public purchase offer, the offer price paid by the Company (excluding transaction costs) may neither exceed, nor be lower than, the Company's share price, as determined by the closing auction in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last trading day before the publication of the purchase offer, by more than 10 percent. The offer may be adjusted in the event of significant share price changes following the announcement of the public purchase offer. In this case, the purchase offer will be adjusted to reflect the Company's share price as determined by the closing auction in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the trading day before the adjustment; the deviation threshold of plus/minus 10 percent applies to this price.

- cc) If the acquisition takes place by means of a public exchange offer, the Company will specify an exchange ratio for acquisition. The exchange ratio, in the form of one or more exchange shares and notional share fractions (in each case including any fractions, but without transaction costs), may – subject to a modification during the offer period – not be more than 10 percent higher or lower than the value of a share of the Company as determined at the applicable time. In this context, the exchange ratio is calculated on the basis of the prices of Company shares and of exchange shares as determined by the respective closing auction on the last trading day before the publication of the exchange offer in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange. The exchange ratio can be adjusted in the event of significant changes in the price – as determined at the applicable time – of Company shares and/or exchange shares following the announcement of the public exchange offer. In this case, the exchange offer will be adjusted to reflect the prices of Company shares and of exchange shares as determined by the respective closing auction in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last trading day before the adjustment of the exchange offer; the deviation threshold of plus/minus 10 percent applies to these prices. If the exchange share is not traded in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange, then the closing price of the exchange share on the stock exchange on which the exchange share had its highest trading volume in the previous calendar year is taken to be the applicable share price.
- dd) If the total number of the shares tendered in response to a public purchase offer or exchange offer as per the aforementioned subsections bb) and cc) exceeds the offer volume, then purchases may be made in proportion to the number of shares tendered (tender ratios). In addition, preferential acceptance of small numbers of shares (up to 50 shares per stockholder), as well as rounding in accordance with commercial principles to avoid notional share fractions, may be provided for. Any further stockholder tender rights are disapplied to this

extent. The public offer to purchase or exchange shares can stipulate additional conditions.

The current authorization to acquire and use own shares, which runs until April 28, 2019, shall be canceled when this new authorization comes into effect; the existing authorizations concerning the use of own shares that have already been acquired remain unaffected by this.

- b) The authorization may be exercised in full, or in a number of partial amounts split across several acquisition dates, until the maximum purchase volume has been reached. The acquisition may also be carried out by group companies that are dependent on the Company within the meaning of Section 17 of the AktG, or by third parties on behalf of the Company or such group companies. The authorization may, subject to compliance with the statutory requirements, be exercised for any purpose permissible in law, especially in pursuit of one or more of the purposes listed in sections c) through i). Trading in own shares is not permitted.

If the own shares acquired are used for one or more of the purposes described in sections c) through g), the stockholders' subscription rights are disappplied. The Board of Management is authorized to disapply subscription rights if the own shares acquired are used for the purpose specified in section i).

Stockholders also do not have any subscription rights if the own shares acquired are sold via the stock exchange. In the event that the own shares acquired are sold by means of a public offer to stockholders and this public offer complies with the principle of equal treatment, the Board of Management is authorized to disapply the stockholders' subscription rights for fractions.

- c) The Board of Management is also authorized to sell the own shares acquired under the above authorization in a manner other than via the stock exchange or by means of an offer to all stockholders against cash consideration.
- d) The Board of Management is authorized to transfer the own shares acquired under the above authorization to third parties, provided this is done

for the purpose of acquiring companies, parts of companies, equity interests in companies, or other assets, or to effect business combinations.

- e) The Board of Management is authorized to distribute the own shares acquired under the above authorization to employees of the Company and affiliated companies, including managers at affiliated companies, and to utilize them for the fulfillment of rights or obligations to purchase Company shares that have been conferred or will be conferred to employees of the Company and affiliated companies, including managers at affiliated companies, in the scope of share-option and/or employee profit-sharing plans, for instance.
- f) The Board of Management is authorized to use the own shares acquired under the above authorization in order to satisfy obligations to creditors to whom the Company or affiliated companies have issued bonds with conversion rights or warrants and/or conversion obligations.
- g) The Board of Management is authorized to use the own shares acquired under the above authorization in order to issue Company shares on stock exchanges outside Germany on which the Company is not yet listed.
- h) The Board of Management is authorized to retire the own shares acquired under the above authorization without a further resolution by the Annual Stockholders' Meeting. The shares may also be retired without reducing the capital by adjusting the proportionate interest of the remaining no-par value shares in the capital stock of the Company. In this case, the Board of Management is authorized to amend the number of no-par value shares in the Articles of Incorporation.
- i) The Board of Management is authorized to use the own shares acquired as a result of the above-mentioned authorization to pay a scrip dividend.
- j) The price at which the own shares are sold while exercising the authorization as per section c) or the price at which own shares may be issued on other

stock exchanges as per section g) may not be significantly lower (excluding transaction costs) than the price of the Company's shares as determined by the closing auction in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last trading day before the binding agreement on the sale or on the day before the shares are issued on the stock exchange. These authorizations as per section c) and section g) concerning the use of shares are restricted to shares whose proportionate interest in the capital stock may not in total exceed 10 percent of the capital stock either at the date when this authorization becomes effective or, if this amount is lower, at the date when the present authorizations are exercised. The upper limit of 10 percent of the capital stock is reduced by the proportionate interest in the capital stock which is attributable to those shares which are issued or sold while disapplying subscription rights under or in accordance with Section 186, Paragraph 3, Sentence 4 of the AktG on or after April 26, 2019. The upper limit of 10 percent of the capital stock is further reduced by the proportionate interest in the capital stock which is attributable to those shares which are to be issued to service bonds with warrants or conversion rights or obligations, provided that these bonds are issued while disapplying subscription rights in application of Section 186, Paragraph 3, Sentence 4 of the AktG on or after April 26, 2019.

- k) The Board of Management may use the authorizations in sections c), d), e), f), g) and i) only with the consent of the Supervisory Board. Moreover, the Supervisory Board can determine that the measures taken by the Board of Management on the basis of this Annual Stockholders' Meeting resolution may only be implemented with its consent.
  
- l) Without prejudice to the last half sentence of section a), the authorizations for the use of own shares in sections c) through i) apply, with the necessary modifications, to own shares acquired as a result of an authorization to acquire shares granted previously by the Annual Stockholders' Meeting. Stockholders' subscription rights are also disapplied

to this extent. With regard to the requirement of the consent of the Supervisory Board, section k) applies with the necessary modifications.

- m) Overall, the above authorizations concerning the use of shares may be utilized on one or several occasions, individually or together, in relation to partial volumes of the own shares or all own shares held in total.

B) Acquisitions using derivatives are also to be possible when exercising the authorization to acquire own shares to be resolved under A).

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

- a) Own shares being acquired as part of the authorization under Agenda Item 5. A) may also be acquired using put or call options. In this case, the option transactions must be entered into with a credit institution, or a company which operates in accordance with Section 53, Paragraph 1, Sentence 1 or Section 53b, Paragraph 1, Sentence 1 or Paragraph 7 of the German Banking Act (KWG), that is independent of the Company (financial institution), provided that this financial institution, when the option is exercised, only delivers shares which were previously acquired via the stock exchange at a market-driven price in compliance with the principle of equal treatment.
- b) The acquisition of shares using put or call options is limited to a maximum of 5 percent of the capital stock in existence as of the date of the resolution by the Annual Stockholders' Meeting or, if this value is lower, as of the date when the authorization is exercised.
- c) The option premium paid by the Company in the case of call options and received in the case of put options may not be materially lower than the theoretical fair value of the options concerned calculated using accepted valuation techniques. The exercise price agreed in the option transaction (in each case not including transaction costs, but taking into ac-

count the option premium received or paid) may not be more than 10 percent higher or lower than the price of the Company's shares as determined by the opening auction in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange on the trading day on which the option transaction was entered into.

The term of the individual derivatives may not, in each case, exceed 18 months; it must end at the latest on April 25, 2024, and must be selected so that the acquisition of the shares using derivatives does not take place after April 25, 2024.

- d) The provisions concerning Agenda Item 5. A) also apply to the use of Company shares that have been acquired on the basis of this authorization.

## **6. Election of the auditor for the annual financial statements and of the auditor for the review of the half-yearly 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 2019, and also to review, if applicable, the condensed financial statements and interim management report as of June 30, 2019, and if applicable, the condensed financial statements and interim management reports as of September 30, 2019, and March 31, 2020, if these are prepared.

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## **Report by the Board of Management to the Annual Stockholders' Meeting on Agenda Item 5 in accordance with Section 71, Paragraph 1, No. 8 of the AktG in conjunction with Section 186, Paragraph 4, Sentence 2 of the AktG**

Section 71, Paragraph 1, No. 8 of the AktG gives stock corporations the option to acquire own shares up to a total of 10 percent of their capital stock based on an authorization granted by the Annual Stockholders' Meeting. Agenda Item 5 contains a proposal to grant such an authorization. The aim is to enable the Board of Management, in the interests of the Company and its stockholders, to acquire

own shares up to a total of 10 percent of the Company's current capital stock either via the stock exchange or by means of a public offer to purchase or exchange shares. The acquisition of own shares by means of a public exchange offer is designed to enable the Company to offer shares of a publicly listed company as specified in Section 3, Paragraph 2 of the AktG as consideration – instead of a cash consideration. For stockholders, the possibility of exchanging their shares in whole or in part for shares of such companies can be an attractive alternative to a public purchase offer.

It will also be possible for the acquisition to be carried out by group companies that are dependent on the Company within the meaning of Section 17 of the AktG, or by third parties on behalf of the Company or such group companies. The term of the authorization to acquire own shares is to be in line with the legal provisions, which allow for a term of up to five years.

If the acquisition takes place by means of a public offer addressed to all stockholders to purchase or exchange shares, the principle of equal treatment set out in Section 53a of the AktG must be complied with at the outset, in the same way as when acquiring shares via the stock exchange. If the public offer to purchase or exchange shares is oversubscribed, then it shall be possible under the proposed authorization to make the purchase in proportion to the number of shares tendered (tender ratios). Generally, the acquisition process can only be performed in an economically sensible manner if acquisitions are made according to tender ratios rather than equity interest ratios. In addition, it will be possible to provide for the preferential acceptance of smaller numbers of shares up to a maximum of 50 shares per stockholder. On the one hand, this option serves to avoid small, generally uneconomic, residual holdings and the resulting potential disadvantage for small stockholders in practice. On the other hand, it also serves to simplify the technical settlement of the acquisition process. Finally, rounding in accordance with commercial principles will be provided for in all cases so as to avoid notional share fractions. This also serves to simplify technical settlement. The Board of Management, in agreement with the Supervisory Board, considers the disapplication of any further stockholder tender rights entailed by this to be objectively justified and reasonable towards stockholders.

The own shares acquired by the Company may be resold via the stock exchange or by means of a public offer to all stockholders. In this way, the principle of equal treatment of stockholders is complied with when the shares are resold. Insofar as the shares are sold by means of an offer to all stockholders, the Board of Management is to be authorized to disapply stockholders' subscription rights to own shares for fractions. The option to disapply subscription rights for fractions serves to ensure a technically executable subscription ratio. The own shares counting as fractions for which stockholders' subscription rights have been disapplied will be sold at best for the Company either via the stock exchange or in another way. The potential dilutive effect is minor due to the restriction to fractions.

In addition, the Company may, under the proposed authorization, also sell the acquired own shares over the counter against cash consideration without making a public offer to all stockholders, if the selling price is not significantly lower than the market price at the date of sale. This authorization makes use of the ability to exercise the simplified disapplication of subscription rights permitted under Section 71, Paragraph 1, No. 8 of the AktG in accordance with Section 186, 3, Sentence 4 of the AktG, with the necessary modifications. It serves the interests of the Company in achieving the best possible price when selling own shares. This enables the Company to take advantage of the opportunities offered by the stock exchange situation quickly, flexibly and cost-effectively as they arise. The sale proceeds achievable by setting a market-driven price generally lead to a significantly higher inflow of funds per share sold than in the case of a share placement with subscription rights, where the discounts on the market price are generally not insignificant. Avoiding the lengthy and costly process of settling subscription rights also allows capital requirements to be met quickly by taking advantage of short-term market opportunities. Stockholders' interests in the assets and voting rights are adequately safeguarded in the process. The authorization based on Section 186, Paragraph 3, Sentence 4 of the AktG to disapply subscription rights when selling own shares is – including any other authorizations concerning the issue or sale of shares or bonds with warrants or conversion rights or obligations while disapplying subscription rights – limited to a maximum total of 10 percent of the Company's capital stock in accordance

with Section 186, Paragraph 3, Sentence 4 of the AktG or in application of it with the necessary modifications.

Furthermore, subject to a new authorization by a subsequent Annual Stockholders' Meeting to disapply subscription rights, the Board of Management will not exercise the authorization to sell own shares while disapplying stockholders' subscription rights in the amount of the proportionate interest in the capital stock attributable to shares issued or sold while disapplying stockholders' subscription rights on the basis of other authorizations granted to the Board of Management, insofar as the proportionate interest in the capital stock attributable to these shares exceeds 10 percent of the Company's current capital stock. The Board of Management will be bound by this condition until a future Annual Stockholders' Meeting again resolves to authorize the Board of Management to implement capitalization measures while disapplying stockholders' subscription rights. This inclusion will no longer apply and the original authorized volume will again be available once a subsequent Annual Stockholders' Meeting again authorizes the Board of Management to issue or sell shares while disapplying stockholders' subscription rights, or to issue bonds with warrants or conversion rights or obligations for shares of the Company.

Protection of stockholders from dilution is taken account of by the fact that the shares may only be sold at a price which is not significantly lower than the applicable market price. Final determination of the selling price for the own shares takes place shortly before the sale. The Board of Management will thereby endeavor – taking account of the current market situation – to minimize any discount on the market price. Interested stockholders may maintain their equity interest ratios at essentially the same terms by making additional purchases in the market.

In addition, the Company is to be given the ability to transfer own shares as consideration to third parties, provided this is done for the purpose of acquiring companies, parts of companies, equity interests in companies, or other assets, or to effect business combinations. Stockholders' subscription rights will also be disapplying in the process. The Company competes on a global basis. It must at all times be in a position to act quickly and flexibly in national and international markets. This also includes the ability to merge with other companies to improve its competitive

position, or to acquire companies, parts of companies, and equity interests in companies. Particularly in connection with the acquisition of companies or parts of companies, it may, in addition, make sense from an economic perspective to also acquire other assets such as those which make an economic contribution to the company or part of the company. In individual cases, the optimal implementation in terms of the Company's interests involves executing a business combination or acquisition by providing shares in the acquiring company. Experience also shows that the provision of shares in the acquiring company is often demanded as consideration in business combinations and for attractive acquisition targets, both in international and national markets. The ability to grant shares for these purposes is already provided for by Authorized Capital I in Article 4 of the Articles of Incorporation. In addition, however, the aim is to permit the option to grant Company shares for these purposes without having to implement a capital increase, which takes longer and is also associated with higher administrative costs, due in particular to the requirement to record the transaction in the commercial register. Furthermore, the Board of Management's authorization to make use of Authorized Capital I will expire on April 28, 2019. The proposed authorization is intended to give the Company the necessary scope to allow it to exploit any opportunities which may arise for business combinations or acquisitions quickly and flexibly. This would not be possible if subscription rights are granted; neither would the associated advantages for the Company be achievable. Should such plans become more specific, the Board of Management will examine carefully whether or not it should make use of the authorization to grant own shares. When determining relative valuations, the Board of Management will ensure that stockholders' interests are adequately safeguarded. Generally, when valuing the shares being granted as consideration, the Board of Management will be guided by the market price of the Company's shares. It is not, however, the intention to have an automatic link to the market price, especially so as not to call the results of negotiations into question because of market price fluctuations.

In addition, it shall be possible to disapply stockholders' subscription rights in order to satisfy obligations to creditors to whom the Company or its group companies have issued bonds with conversion rights or warrants and/or conversion obligations. This may be expedient in

the case of a capital increase for using own shares to fully or partially settle conversion rights or warrants and/or conversion obligations. In this context, it should be noted that – unless otherwise specified in a resolution by the Annual Stockholders' Meeting – bonds may be issued only in observance of stockholders' subscription rights, with the consequence that, indirectly, the stockholders' subscription rights are preserved.

The authorization also offers the possibility, while disapplying stockholders' subscription rights, to distribute the own shares to employees of the Company and affiliated companies, including managers at affiliated companies, and to utilize them for the fulfillment of rights or obligations to purchase Company shares that have been conferred or will be conferred to employees of the Company and affiliated companies, including managers at affiliated companies. As a result, it shall be possible to make Company shares available to respective beneficiaries in the scope of any potential share option programs, and to do so without utilizing conditional capital. The distribution of own shares to employees and managers of the Company – particularly in the context of long-term compensation components geared toward the sustainable success of the company – may be in the interests of the Company and its stockholders, as it substantially boosts the identification of employees and managers with their company as well as enterprise value in itself. The use of existing own shares instead of the utilization of conditional capital may also constitute an economically sensible alternative.

Under the proposed authorization, the Board of Management may also use the acquired own shares to issue Company shares on stock exchanges outside Germany on which the Company is not yet listed. This gives the Company the ability to quickly and flexibly respond to advantageous stock exchange situations. It also enables the Company to expand its stockholder base outside of Germany as well. Stockholders' interests in the assets and voting rights are adequately safeguarded in the process. Protection of stockholders from the dilution of their shareholdings is taken account of by the fact that the shares may be issued on stock exchanges outside Germany only at a price which is not considerably lower than the applicable market price. Final determination of the price for the own shares takes place shortly before Company shares are issued on stock exchanges outside

Germany. The Board of Management will thereby endeavor – taking account of the current market situation – to minimize any discount on the market price. Interested stockholders may maintain their equity interest ratios at essentially the same terms by making additional purchases in the market. The restriction in Section 186, Paragraph 3, Sentence 4 of the AktG that is explained above will apply in the event that the Board of Management intends to use the own shares acquired as per the proposed authorization in order to issue shares on stock exchanges outside Germany.

Furthermore, the proposed resolution contains an authorization for the Company to retire own shares without a further resolution by the Annual Stockholders' Meeting. The authorization allows the Company to react to the applicable capital market conditions in an appropriate and flexible manner. The proposed authorization thereby provides, in accordance with Section 237, Paragraph 3, No. 3 of the AktG, that the Board of Management may also retire the shares without reducing the capital. Retiring shares without reducing the capital increases the proportionate interest of the remaining no-par value shares in the Company's capital stock. The Board of Management is authorized to this extent to amend the Articles of Incorporation in relation to the changed number of no-par value shares.

Finally, the proposed resolution provides for the option to use own shares to pay scrip dividends. In this connection, the Board of Management is to be authorized to disapply stockholders' subscription rights to be able to pay a scrip dividend at optimal conditions. In a scrip dividend using own shares, stockholders are given the option of contributing their claim to a dividend payment that arises with the resolution on the appropriation of earnings by the Stockholders' Meeting to the Company in return for own shares.

The payment of a scrip dividend using own shares can be implemented as an offer to all stockholders, applying their subscription rights and in compliance with the principle of equal treatment (Section 53a of the AktG). In each case, stockholders can only subscribe for whole shares; they are entitled to receive cash dividends for that portion of the dividend entitlement that is less (or more) than the subscription price for a whole share and cannot subscribe for shares to this extent. There is no plan to offer fractional interests or establish trading of subscription rights or

fractions thereof. This is also considered to be justifiable and appropriate to this extent as the stockholders receive a proportionate cash dividend instead of subscribing for own shares.

Depending on the capital market situation, it may be preferable in individual cases to pay a scrip dividend using own shares such that the Board of Management offers all stockholders entitled to dividends the option to subscribe for own shares against the contribution of their dividend claims in compliance with the principle of equal treatment (Section 53a of the AktG) while formally disapplying stockholders' subscription rights in full. Implementing a scrip dividend while formally disapplying subscription rights enables the scrip dividend to be implemented at more flexible conditions. Given the fact that all stockholders are offered the own shares and that surplus fractional dividend amounts are settled by paying a cash dividend, the disapplication of subscription rights to this extent is also considered to be justifiable and appropriate.

In accordance with section k) of the proposed resolution, the Board of Management is to be permitted to make use of the following authorizations only with the consent of the Supervisory Board: the authorization to sell the acquired own shares over the counter against cash consideration without making a public offer to all stockholders; the authorization to transfer the own shares to third parties, provided this is done for the purpose of acquiring companies, parts of companies, equity interests in companies, or other assets, or to effect business combinations; the authorization to distribute the own shares to employees of the Company and affiliated companies; the authorization to use the own shares to satisfy obligations to creditors to whom the Company or affiliated companies have issued bonds; the authorization to use the own shares to issue shares on stock exchanges outside Germany; the authorization to use the own shares to pay a scrip dividend. Moreover, the Supervisory Board will be able to determine that measures taken by the Board of Management on the basis of the proposed Annual Stockholders' Meeting resolution may only be implemented with its consent.

Without prejudice to the option to use the own shares acquired on the basis of the proposed authorization in accordance with sections c) to i) of the proposed resolution,

the authorizations for the use of own shares in sections c) to i) are also to apply, with the necessary modifications, to those shares acquired as a result of an authorization to acquire shares previously granted by the Annual Stockholders' Meeting. Stockholders' subscription rights will also be disappplied to this extent. The information provided above also applies to the reasons for disapplying subscription rights, with the necessary modifications. With regard to the requirement for the consent of the Supervisory Board, section k) of the proposed resolution will apply, with the necessary modifications.

The Board of Management, in agreement with the Supervisory Board, considers the disapplication of subscription rights in the cases described to be objectively justified and reasonable towards stockholders for the reasons mentioned – also taking account of a potential dilutive effect. The Board of Management will inform the next Annual Stockholders' Meeting of the utilization of the authorization.

The acquisition of own shares may, where appropriate, be optimized by using derivatives in the form of put and call options. Here too, the principle of equal treatment of stockholders is to be taken into account. The supporting nature of the use of derivatives to acquire own shares finds its expression, among other things, in the fact that they are limited to a maximum of 5 percent of the capital stock. The term of the options amounts to a maximum of 18 months and must be selected so that the acquisition of the shares on exercising the options takes place at the latest on April 25, 2024. There is to be no difference in the use of shares acquired using derivatives compared to those acquired directly.

It can be advantageous for the Company to use put or call options to acquire own shares. By selling put options, the Company grants the purchaser the right to sell shares in the Company to it at a set price (exercise price). In return, the Company receives an option premium. If the put option is exercised, the option premium paid by the purchaser of the put option reduces the total consideration paid by the Company to acquire the shares. From the Company's perspective, the advantage of using put options to buy back shares is that the exercise price is already defined when the option transaction is entered into, whereas the cash outflow does not happen until the exercise date.

Using put options to buy back shares can make sense if the Company intends to buy back its own shares when the price is low but is not sure of the best time to do so, for example. If the option is not exercised, the Company cannot acquire its own shares in this way. However, it keeps the option premium. By purchasing a call option, the Company receives the right – against payment of an option premium – to buy its own shares from the seller of the option (the option writer) at a set price (exercise price). Exercising the call option makes economic sense for the Company if the price of its shares is higher than the exercise price, because it can then buy the shares from the writer at the lower exercise price. This allows the Company to hedge against rising share prices. It also preserves the Company's liquidity, since the predefined purchase price for the shares only has to be paid when the call option is exercised.

The authorization does not entitle stockholders to enter into such option transactions with the Company. This, and that fact that the Company can only enter into option transactions with a financial institution, enable Management – in contrast to the case of an offer to all stockholders to enter into option transactions – to enter into option transactions at short notice and, in this way, react quickly to market situations.

The terms set out in the resolution prevent stockholders from suffering a material financial disadvantage if the Company uses put or call options to acquire its own shares. Since the Company receives or pays a market-driven price as a result of the provisions on the size of the option premium set out in the authorization, stockholders that do not participate in the option transactions in particular do not suffer any material pecuniary disadvantage. The position of the stockholders largely corresponds to their position when shares are bought back via the stock exchange and not all stockholders are actually able to sell shares to the Company. Not granting stockholders the right to enter into option transactions with the Company is therefore justified.

Taking into account all of these circumstances, the exclusion of any stockholder right of tender is objectively justified and appropriate for stockholders. The Board of

Management will notify the next Annual Stockholders' Meeting of the utilization of the authorization to use derivatives.

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From 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](http://www.bayer.com/stockholders-meeting):

- // The annual financial statements (including the proposal of the Board of Management on the use of the distributable profit), the consolidated financial statements, the combined management report and the report of the Supervisory Board, in each case for the fiscal year 2018 (Agenda Item 1), together with the explanatory report by the Board of Management on takeover-related information, which is part of the combined management report for the fiscal year 2018,
- // Curriculum vitae of Dr. rer. nat. Simone Bagel-Trah, including additional information of relevance to the proposed election to the Supervisory Board (Agenda Item 4),
- // Report by the Board of Management in accordance with Section 71, Paragraph 1, No. 8 of the AktG in conjunction with Section 186, Paragraph 4, Sentence 2 of the AktG (Agenda Item 5).

These documents shall 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 932,551,964 registered shares (no-par value shares), each of which conveys one vote.

### **Attendance at the Annual Stockholders' Meeting and exercise of voting rights**

Only those stockholders who are entered in the share register and have registered by the required date are eligible to attend the Annual Stockholders' Meeting and exercise voting rights. Registration must be received by the Company at the latest by 24:00 hours CEST on Friday, April 19, 2019, at the following address:

Bayer Aktiengesellschaft  
Stockholder Service  
Postfach 14 60  
61365 Friedrichsdorf  
Germany  
Fax: + 49 (0) 69 / 2222-34280  
Email: bayer.hv@linkmarketservices.de

or submitted electronically by accessing the password-protected Annual Stockholders' Meeting internet service (hereinafter "Stockholders' Portal – AGM Service") at [www.stockholders-portal.bayer.com](http://www.stockholders-portal.bayer.com) and following the instructions there.

Access authorization is necessary to use the "Stockholders' Portal – AGM Service." The information required to access the "Stockholders' Portal – AGM Service" (stockholder number and personal access number) will be sent with the notice. The "Stockholders' Portal – AGM Service" is expected to be available starting on Friday, March 29, 2019. This service can only be used by stockholders entered in the share register by no later than Thursday, April 11, 2019 (entry status according to the last transfer entry for this date). However, there are other registration options for stockholders entered in the register at a later date. Stockholders who have already agreed to the transmission of the Annual Stockholders' Meeting documents by email will receive an email with the Notice of Meeting as an attachment at the email address they specified.

In accordance with Section 67, Paragraph 2, Sentence 1 of the AktG, only those stockholders registered as such in the share register shall be deemed to be stockholders of the Company. 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 20, 2019, up to and including Sunday, April 28, 2019. 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 19, 2019. The technical record date is thus the end (i.e. 24:00 hours CEST) of April 19, 2019.

Credit institutions and stockholder associations, as well as persons, institutions or companies with equivalent status under Section 135, Paragraph 8 of the AktG or Section 135, Paragraph 10 of the AktG in conjunction with Section 125, Paragraph 5 of the AktG, may only exercise the voting rights for shares that do not belong to them, but of which they are registered as the holder in the share register, with the relevant authorization. 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](http://www.bayer.com/stockholders-meeting).

Admission tickets to the Annual Stockholders' Meeting will be issued after receipt of the registration by the required date, unless the stockholders have previously decided to issue a proxy to a proxy holder designated by the Company, or have registered for postal voting.

Stockholders are requested to note that, owing to the large number of registrations expected for our Annual Stockholders' Meeting, we can generally only send out a maximum of two admission tickets per stockholder. This does not apply where the Custodian has issued a proxy to holders of American Depositary Shares of the Company.

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

### **Exercise of voting rights by a proxy**

Stockholders' voting rights may be exercised by proxy, including by a stockholders' association. Registration by the required date shall also be required in these cases (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above). The issue of a proxy is permissible both before and during the Annual Stockholders' Meeting. To issue a proxy, declarations can be made both to the proxy holder and to the Company. In particular, stockholders may declare at the time of registration that they do not intend to attend the Annual

Stockholders' Meeting personally, but wish to be represented by a particular proxy.

Together with the Notice of the Stockholders' Meeting, stockholders will receive a registration form that can be used to issue a proxy and issue voting instructions to the proxy holders designated by the Company or to order admission tickets for a proxy holder. A sample registration form will be made accessible to stockholders at [www.bayer.com/stockholders-meeting](http://www.bayer.com/stockholders-meeting). The voting card packet issued on admission to the Annual Stockholders' Meeting will also include cards for issuing a proxy and, if applicable, issuing voting instructions during the Annual Stockholders' Meeting. The "Stockholders' Portal – AGM Service" also includes an (online) form that allows stockholders to issue a proxy to a third party, as well as to issue a proxy and voting instructions to proxy holders designated by the Company, either when registering or at a later date. The admission tickets issued by the Company also include a form for issuing a proxy.

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

### **Proxy holders designated by the Company**

The Company offers its stockholders an opportunity to appoint proxy holders whom it has designated. The proxy holders designated by the Company will only exercise voting rights on the basis of the issued proxy if they have been issued voting instructions; they are obligated to vote in accordance with the instructions. However, instructions may only be issued regarding resolutions proposed by the Board of Management and/or the Supervisory Board (including any amendments) and resolutions proposed by stockholders announced by means of an addition to the agenda in accordance with Section 122, Paragraph 2 of the AktG.

Proxies and voting instructions issued to proxy holders designated by the Company must be issued in text form (Section 126b of the German Civil Code (BGB)) unless they are issued using the "Stockholders' Portal – AGM Service."

Proxies and voting instructions may be issued to proxy holders designated by the Company before the Annual Stockholders' Meeting by returning the registration form included with the Notice of the Meeting by regular mail,

or during the Annual Stockholders' Meeting by using the proxy card included with the voting card packet. Without prejudice to the requirement to register by 24:00 hours CEST on Friday, April 19, 2019 (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above), if a proxy is issued by regular mail, it must be received at the postal address specified above by Thursday, April 25, 2019 (date of mail delivery).

Proxies and voting instructions may also be issued to proxy holders designated by the Company before the Annual Stockholders' Meeting using the registration form sent to stockholders by fax sent to the above fax number or electronically using the (online) form available via the "Stockholders' Portal – AGM Service" (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above). Without prejudice to the requirement to register by 24:00 hours CEST on Friday, April 19, 2019 (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above), proxies and voting instructions issued by fax or via the "Stockholders' Portal – AGM Service" must all be received by 12:00 hours CEST on Thursday, April 25, 2019.

The above information on transmission options and deadlines applies accordingly to cancellation of a proxy issued to a proxy holder designated by the Company. Despite already having issued a proxy to a proxy holder designated by the Company, a stockholder who wishes to may attend the Annual Stockholders' Meeting personally or via a representative and represent the relevant shares. In this case, the proxy holder designated by the Company will not exercise the stockholder's voting rights. The proxy holder designated by the Company will also refrain from exercising the stockholder's voting rights if the stockholder votes by postal voting (see "Postal voting" below).

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

### **Authorization of other persons**

The following shall apply if a proxy is issued to a person other than a proxy holder designated by the Company and is not subject to the provisions of Section 135 of the AktG

(in particular the authorization of credit institutions and stockholder associations):

The issue and cancellation of proxies and the notification of the appointment of a proxy submitted to the Company must be in text form (Section 126b of the BGB). If the issue or cancellation of proxy is made by means of a declaration to the Company, this may be sent to the address given above in text form (Section 126b of the BGB) or submitted via the "Stockholders' Portal – AGM Service" (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above).

In the case of proxies issued within the scope of Section 135 of the AktG (in particular the issue of proxies to credit institutions and stockholder associations), 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 credit institutions, stockholder associations and persons, institutions or companies of equivalent status under Section 135, Paragraph 8 of the AktG or Section 135, Paragraph 10 of the AktG in conjunction with Section 125, Paragraph 5 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.

### **Provision of evidence**

If the proxy is issued by means of a declaration to the Company or if the proxy holder designated by the Company is authorized, additional evidence of authorization shall not be required. However, if the proxy is issued by means of a declaration to the proxy holder, the Company may require evidence of the authorization unless otherwise specified under Section 135 of the AktG. Evidence of the authorization may be provided to the Company before the Annual Stockholders' Meeting.

For electronic communication of evidence of the appointment of a proxy the Company provides for transmission via email to the email address [bayer.hv@linkmarketservices.de](mailto:bayer.hv@linkmarketservices.de). The evidence of authorization must include either the name, date of birth, and address of the stockholder, or the stockholder number, so that it can be correctly allocated. The name and postal

address of the designated proxy should also be provided so that where possible the proxy holder may be sent admission tickets.

### **Postal voting**

Stockholders may also cast their votes by mail or electronically without attending the Annual Stockholders' Meeting ("postal voting"). Registration by the required date is also required in these cases (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above). Postal voting shall be limited to resolutions proposed by the Board of Management and/or the Supervisory Board (including any amendments) and resolutions proposed by stockholders announced by means of an addition to the agenda in accordance with Section 122, Paragraph 2 of the AktG.

Without prejudice to the requirement to register by 24:00 hours CEST on Friday, April 19, 2019 (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above), the postal vote cast by mail must be received at the above postal address (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above) by Thursday, April 25, 2019 (date of mail delivery).

Postal votes may also be cast by fax to the above fax number or electronically using the (online) form available via the "Stockholders' Portal – AGM Service" for the Annual Stockholders' Meeting (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above). Without prejudice to the requirement to register by 24:00 hours CEST on Friday, April 19, 2019 (see "Attendance at the Annual Stockholders' Meeting and exercise of voting rights" above), votes cast by fax or via the "Stockholders' Portal – AGM Service" must be received by 12:00 hours CEST on Thursday, April 25, 2019.

The above requirements regarding the notification options and deadlines shall apply accordingly to the cancellation of postal voting. If a stockholder wishes to attend the Annual Stockholders' Meeting personally or via a representative and represent the relevant shares despite having already cast a postal vote, attendance is possible, but will be deemed to be cancellation of the postal vote.

Authorized credit institutions, stockholder associations, and persons, institutions or companies of equivalent status under Section 135, Paragraph 8 of the AktG or Section 135, Paragraph 10 of the AktG in conjunction with Section 125, Paragraph 5 of the AktG, may also cast postal votes.

### **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 hours CEST on Tuesday, March 26, 2019.

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) without delay and submitted for publication to those media which may be presumed to distribute the information throughout the European Union, unless already announced with the Notice of the Meeting. They will also be made available online at [www.bayer.com/stockholders-meeting](http://www.bayer.com/stockholders-meeting) without delay.

### **Right to submit countermotions and proposals for election**

Each stockholder has the right to submit motions and proposals for election relating to items of the agenda or the rules of procedure during the Annual Stockholders'

Meeting without the need for announcement, publication, or any other special action before the Annual Stockholders' Meeting.

The Company will make available any counter motions 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 references of the Board of Management to 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](http://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 hours CEST on Thursday, April 11, 2019, to the following address:

Bayer Aktiengesellschaft  
Building Q26 (Legal Department)  
Kaiser-Wilhelm-Allee 20  
51373 Leverkusen  
Germany  
Fax: + 49 (0) 214 / 30-26786  
Email: [hv.gegenantraege@bayer.com](mailto:hv.gegenantraege@bayer.com)

and the other requirements regarding the corresponding duty under Section 126 and Section 127 of the AktG have been met.

### **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.

**Further explanations**

This Notice and further information and explanations of the stockholders' rights under Section 122, Paragraph 2; Section 126, Paragraph 1; Section 127; and Section 131, Paragraph 1 of the AktG are available on the Annual Stockholder's Meeting website:  
[www.bayer.com/stockholders-meeting](http://www.bayer.com/stockholders-meeting).

**Data privacy**

Bayer Aktiengesellschaft processes personal data in conjunction with the Annual Stockholders' Meeting. Please see [www.bayer.com/stockholders-meeting](http://www.bayer.com/stockholders-meeting) for detailed information on data privacy. Stockholders who authorize a proxy are kindly asked to inform the proxy on the data privacy information.

**Partial transmission**

All stockholders of the Company and any interested members of the public can follow live streaming of the opening of the Annual Stockholders' Meeting by the Chairman of the Supervisory Board, the speech by the Chairman of the Board of Management, and the explanation by the Supervisory Board Chairman of the Report of the Supervisory Board, at the Annual Stockholders' Meeting on Friday, April 26, 2019, at [www.bayer.com/stockholders-meeting](http://www.bayer.com/stockholders-meeting) starting at 10:00 hours CEST. There will be no other video or audio transmission of the Annual Stockholders' Meeting.

Leverkusen, March 2019

Bayer Aktiengesellschaft

The Board of Management

# Supervisory Board Election



## **Dr. rer. nat. Simone Bagel-Trah**

Düsseldorf

born January 10, 1969, in Düsseldorf  
German

Chairwoman of the Supervisory Board  
of Henkel AG & Co. KGaA and Henkel  
Management AG and Shareholders' Committee  
of Henkel AG & Co. KGaA

1988–1993 Degree in biology at the University of Bonn, Germany

1998 Ph.D. in microbiology at the University of Bonn,  
Germany

1998–2000 Independent consultant; project management for the  
Association of Applied Microbiology; coordination of  
industrial projects for the Pharmaceutical Microbiology  
department of the University of Bonn

1999–2001 Member of the Supervisory Board of Cognis B. V.

since 2000 Partner and Managing Director of Antiinfectives  
Intelligence Gesellschaft für klinisch-mikrobiologische  
Forschung und Kommunikation mbH

2001–2005 Member of the Supervisory Board of Henkel KGaA

2005–2008 Member of the Shareholders' Committee of Henkel  
KGaA

2008–2009 Member of the Supervisory Board and Vice  
Chairwoman of the Shareholders' Committee of  
Henkel AG & Co. KGaA; Vice Chairwoman of the  
Supervisory Board of Henkel Management AG

since 2009 Chairwoman of the Supervisory Board of Henkel AG  
& Co. KGaA and Henkel Management AG and  
Shareholders' Committee of Henkel AG & Co. KGaA

Membership of statutory supervisory boards:

- Bayer Aktiengesellschaft (since 2014)
- Henkel AG & Co. KGaA (Chairwoman)
- Henkel Management AG (Chairwoman)
- Heraeus Holding GmbH

Membership of comparable supervising bodies of corporations  
in Germany or abroad:

- Henkel AG & Co. KGaA (Chairwoman of the Shareholders'  
Committee)

## Masthead

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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](http://www.bayer.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

## Five-Year Summary

	2014	2015	2016	2017	2018
<b>Bayer Group (€ million)</b>					
Sales	41,339	46,085	34,943	35,015	39,586
EBITDA <sup>1</sup>	8,315	9,573	8,801	8,563	10,266
EBITDA before special items <sup>1</sup>	8,685	10,256	9,318	9,288	9,547
EBITDA margin before special items (in %) <sup>1</sup>	21.0	22.3	26.7	26.5	24.1
EBIT <sup>1</sup>	5,395	6,241	5,738	5,903	3,914
EBIT before special items <sup>1</sup>	5,833	7,060	6,826	7,130	6,480
Income before income taxes	4,414	5,236	4,773	4,577	2,318
Net income (from continuing and discontinued operations)	3,426	4,110	4,531	7,336	1,695
Earnings per share (from continuing and discontinued operations) (€) <sup>1</sup>	4.14	4.97	5.44	8.29	1.80
Core earnings per share (from continuing operations) (€) <sup>1</sup>	5.89	6.82	6.67	6.64	5.94
Net cash provided by operating activities (from continuing and discontinued operations)	5,810	6,890	9,089	8,134	7,917
Net financial debt	19,612	17,449	11,778	3,595	35,679
Capital expenditures (as per segment table) <sup>2</sup>	2,484	2,554	2,627	2,418	2,564
<b>Bayer AG</b>					
Total dividend payment	1,861	2,067	2,233	2,402	2,611
Dividend per share (€)	2.25	2.50	2.70	2.80	2.80
<b>Innovation</b>					
Research and development expenses	3,537	4,274	4,405	4,504	5,246
Ratio of R&D expenses to sales – Pharmaceuticals (%)	15.6	16.0	16.7	16.2	15.5
Ratio of R&D expenses to sales – Crop Science (%)	10.3	10.7	11.7	11.7	13.0
Employees in research and development	13,900	14,753	14,213	14,041	17,275
<b>Employees</b>					
Number of employees <sup>3</sup> (Dec. 31)	117,400	116,600	99,592	99,820	116,998
Personnel expenses (including pension expenses) (€ million)	9,693	11,176	9,459	9,528	11,548
Proportion of employees with health insurance (%)	96	96	98	98	98
Fluctuation (voluntary/total) (%)	4.8/11.4	5.0/13.9	4.8/13.2	4.8/10.4	5.4/14.4
Hours of vocational and ongoing training per employee	18.0	20.0	23.0	23.4	17.1
<b>Safety &amp; Environmental Protection</b>					
Recordable Incident Rate for Bayer employees (RIR) <sup>4</sup>	0.44	0.43	0.40	0.45	0.39
Loss of Primary Containment Incident Rate (LoPC-IR) <sup>5</sup>	0.13	0.11	0.17	0.13	0.09
Total energy consumption (terajoules)	26,288	24,677	26,243	25,832	39,628
Energy efficiency (kWh/€1,000) <sup>6</sup>	246	200	209	205	278
Total greenhouse gas emissions (CO <sub>2</sub> equivalents in million t) <sup>7</sup>	4.06	4.62	4.64	3.63	5.45
Hazardous waste generated (thousand t)	377	431	428	485	421
Water use (million m <sup>3</sup> )	104	110	93	98	124

2017 figures restated; figures for 2014 – 2016 as last reported; t = metric tons

<sup>1</sup> For definitions of the indicators see A 2.4 in the Bayer Annual Report 2018

<sup>2</sup> Group total 2016 including Covestro

<sup>3</sup> Employees calculated as full-time equivalents (FTEs)

<sup>4</sup> RIR: Number of reportable occupational injuries and illnesses per 200,000 hours worked

<sup>5</sup> LoPC = Loss of Primary Containment; number of incidents in which chemicals leak from their primary container, such as pipelines, pumps, tanks or drums, per 200,000 working hours

<sup>6</sup> Quotient of total energy consumption and external sales

<sup>7</sup> Direct emissions from power plants, waste incinerators and production plants and indirect emissions from external supplies of electricity, steam and refrigeration (according to the market-based method)



[www.bayer.com](http://www.bayer.com)