

Greater transparency for investors and stockholders

Bayer AG: New rules for corporate governance

Detailed disclosure of Management Board and Supervisory Board compensation planned

Leverkusen – Bayer AG is to follow the recommendations of the “Government Commission on the German Corporate Governance Code” to a great extent. At its meeting on December 5, 2002, the company’s Supervisory Board approved the “declaration of conformity” which the Board of Management and the Supervisory Board have to issue to stockholders under new legislation.

In addition, the Supervisory Board decided on far-reaching changes regarding the transparency of Management Board and Supervisory Board compensation. Details of the remuneration of Management Board members will in future be provided in the notes to Bayer AG’s financial statements, disclosing for each individual the fixed salary, performance-related components and long-term incentives. The same applies to the earnings of the Supervisory Board members, which will be shown according to fixed and performance-related portions.

At today’s meeting the Supervisory Board also issued new Rules of Procedure for its own activity. Committee work is to be thoroughly reorganized. There will in future be three committees of the Supervisory Board: the Presidium (also nomination committee, established pursuant to § 27 of the Co-Determination Act), the Human Resources Committee and the Audit Committee. Some of today’s decisions entail amendments to Bayer’s Articles of Incorporation. The amendments will therefore be put to the Annual Stockholders’ Meeting in April 2003.

Leverkusen, December 5, 2002

Forward-Looking Statements

This news release contains forward-looking statements based on current assumptions and forecasts made by Bayer Group 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 our public reports filed with the Frankfurt Stock Exchange and with the U.S. Securities and Exchange Commission (including our Form 20-F). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.