

Control Agreement

between

Bayer Aktiengesellschaft, Leverkusen („Bayer“)

and

Bayer Schering GmbH, Leverkusen („Bayer Schering“)

§ 1

Management

- (1) Bayer Schering shall subordinate the management of its company to Bayer. Bayer is thus entitled to instruct Bayer Schering's management with respect to the management of the Company. Bayer may not instruct Bayer Schering's management to amend, maintain or end this Agreement.
- (2) Pursuant to § 1 (1) above, Bayer Schering's management is obligated to follow instructions of Bayer.
- (3) Instructions must be in writing.

§ 2

Assumption of Loss

- (1) Bayer has a duty to assume every loss incurred during the term of the Agreement which, according to application of the provisions of Article 302, paras. 1 and 3 of the German Stock Corporation Act (*Aktiengesetz*), are not compensated for in that amounts are deducted from the other profit reserves as provided for in Article 272, para. 3 of the German Commercial Code (*Handelsgesetzbuch*), which were allocated there during the term of the Agreement.
- (2) The duty to assume losses shall first begin in the fiscal year in which this Agreement takes effect according to § 3 (2) below.

§ 3

Effective Date and Term

- (1) This Agreement requires the approval of the Shareholders' Meeting of Bayer Schering and the Stockholders' Meeting of Bayer.
- (2) The Agreement shall become effective upon its entry into the commercial register at Bayer Schering's registered office.

- (3) The Agreement is entered into for an indefinite term. It may be terminated by giving six-months written notice to the end of any fiscal year of Bayer Schering.
- (4) The right of each party to terminate the Agreement for cause without notice shall remain unaffected. In particular, Bayer shall be entitled to terminate for cause if it no longer owns a majority interest in Bayer Schering or if a third party acquires a shareholding interest in Bayer Schering. Moreover, each party shall have the right to terminate the Agreement for cause on termination of the profit transfer agreement entered into between Bayer and Bayer Schering (formerly Dritte BV GmbH) on March 11, 2004.

§ 4
Severability

Should any provision of this Agreement, or any provision incorporated into this Agreement in the future, be or become invalid or unenforceable, or should there be a gap in this Agreement, then the validity of the other provisions of this Agreement shall not be affected thereby. The parties undertake to agree on a suitable provision in place of the invalid or inapplicable provision or to fill the gap which, to the extent legally permissible, comes as close as possible to what the parties wanted or, in light of the intent and purpose of this Agreement, would have wanted if they had considered the matter.

Leverkusen, March 12, 2007

Bayer Aktiengesellschaft

The Board of Management

Leverkusen, March 12, 2007

Bayer Schering GmbH

The Board of Management