



Domination and Profit and Loss Transfer Agreement

between
Bayer Aktiengesellschaft, Leverkusen ("BAYER")
and
Erste Bayer VV Aktiengesellschaft ("Erste Bayer VV")

§ 1 Management

(1) The Erste Bayer VV subordinates the management of its company to Bayer. Bayer is accordingly authorized to issue instructions to the Board of Management of the Erste Bayer VV with regard to the management of the company.

(2) Instructions require written form.

§ 2 Transfer of Profits

(1) The Erste Bayer VV undertakes to transfer its entire profit to Bayer. The obligation applies for the first time for the entire profit of the fiscal year running at the time this Agreement takes effect. Subject to establishing or dissolving reserves under paragraph 2, the annual profit arising without the transfer of profit, as reduced by any loss carried forward from the previous year and the amount which must be placed in the statutory reserve is to be transferred.

(2) The Erste Bayer VV can place amounts from the annual profit in other profit reserves (§ 272 para. 3 German Commercial Code [Handelsgesetzbuch, "HGB"]) with the consent of Bayer if this is permissible under commercial law and is economically justified based on a reasonable commercial analysis. Profit reserves under § 272 para. 3 German Commercial Code [Handelsgesetzbuch, „HGB“] established during the course of this Agreement must be dissolved at the request of Bayer and must be used to offset any annual loss or must be transferred as profit. The transfer of amounts resulting from the dissolution of oth-

er profit reserves under § 272 para. 3 German Commercial Code [Handelsgesetzbuch, „HGB“] established prior to the beginning of this Agreement or of capital reserves is excluded.

§ 3

Assumption of Losses

Bayer is under an obligation towards the Erste Bayer VV to assume losses (§ 302 AktG) to the extent that these losses are not offset by withdrawing amounts from the other profit reserves under § 2 paragraph 2 sentence 2 in which the profits were placed during the course of this Agreement. The obligation applies for the first time for the loss during the fiscal year when this Agreement takes effect.

§ 4

Effective Date and Duration

(1) This Agreement requires a consent by the Annual Stockholders' Meeting of the Erste Bayer VV and the Annual Stockholders' Meeting of Bayer.

(2) This Agreement takes effect upon registration in the commercial register at the registered office of the Erste Bayer VV and applies, except for the right to issue it, instructions, retroactively for the period starting with the beginning of the fiscal year in which the registration takes place. The right to issue instructions can only be exercised after registration of this Agreement in the commercial register at the registered office of the Erste Bayer VV.

(3) This Agreement can be normally terminated at the end of a fiscal year upon giving six months' notice, for the first time, however, at the end of the fiscal year which ends at least five years after the beginning of the fiscal year in which this Agreement takes effect. If this Agreement is not terminated, it is automatically extended by one fiscal year each with the same notice period applying.

(4) The right to terminate this Agreement for just cause [wichtiger Grund] without complying with the notice period remains unaffected. Bayer is entitled to terminate this Agreement for just cause particularly if it no longer holds a majority interest in the Erste Bayer VV.

§ 5
Other Provisions

The invalidity or unenforceability of one or more provisions of this Agreement does not affect the validity of the other provisions.

Leverkusen, February 26, 2008
Bayer Aktiengesellschaft

The Board of Management

Leverkusen, February 26, 2008
Erste Bayer VV Aktiengesellschaft

The Board of Management