



**Declaration by the Board of Management and Supervisory Board
concerning the German Corporate Governance Code (May 15, 2012 version)
pursuant to Section 161 of the German Stock Corporation Act****

Under Section 161 of the German Stock Corporation Act, the Board of Management and the Supervisory Board of Bayer AG are required to issue an annual declaration that the company has been, and is, in compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger), or to advise of any recommendations that have not been, or are not being, applied and the reasons for this. An annual declaration was last issued in December 2011 and amended in February 2012.

With respect to the past, the following declaration refers to the May 26, 2010 version of the Code. With respect to present and future corporate governance practices at Bayer AG, the following declaration refers to the recommendations in the May 15, 2012 version of the Code.

Pursuant to Section 161 of the German Stock Corporation Act, the Board of Management and Supervisory Board of Bayer AG hereby declare as follows:

1. The company has been in compliance with the recommendations of the Code since issuance of the last annual compliance declaration in December 2011 with the temporary exception stated in the amendment thereto dated February 2012. The recommendation given in Section 5.4.6 Paragraph 2 of the May 26, 2010 version of the Code was not complied with.

The Annual Stockholders' Meeting 2012, acting on a proposal from the Board of Management and the Supervisory Board, resolved to introduce a new system of Supervisory Board compensation comprising fixed compensation only by way of an amendment to the Articles of Incorporation. Section 5.4.6 Paragraph 2 of the May 26, 2010 version of the Code contained a recommendation that performance-related compensation be paid in addition to fixed compensation. The May 15, 2012 version of the Code no longer contains this recommendation.

2. All the recommendations of the Code are now being complied with in full.

Leverkusen, December 2012

For the Board of Management:

For the Supervisory Board:

A handwritten signature in blue ink, appearing to read "Dr. Dekkers", written over a horizontal line.

Dr. Dekkers

A handwritten signature in blue ink, appearing to read "Baumann", written over a horizontal line.

Baumann

A handwritten signature in blue ink, appearing to read "Wenning", written over a horizontal line.

Wenning

** This is an English translation of a German document. The German document is the official and controlling version, and this English translation in no event modifies, interprets or limits the official German version.