

**Declaration by the Board of Management and Supervisory Board of Bayer AG
concerning the German Corporate Governance Code (May 26, 2010 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. An annual declaration was last issued in December 2009.

With respect to the past, the following declaration refers to the June 18, 2009 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 26, 2010 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:

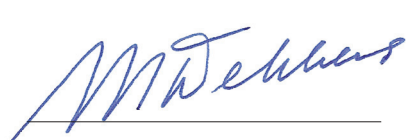
1. The company has been in compliance with the recommendations of the Code since issuance of the last annual compliance declaration in December 2009 with the temporary exception stated in the compliance declaration of December 2009: Until March 31, 2010, the amount of the deductible for the D&O insurance for the members of the Supervisory Board was not in compliance with the recommendation given in Section 3.8 Paragraph 2 of the Code because the D&O insurance is a group policy for which a deductible in the recommended amount was only agreed when the policy came up for renewal on April 1, 2010.
2. The company is in compliance with the recommendations of the Code with the exception of the recommendation given in Section 5.4.5, which temporarily is not being complied with in full.

The deviation from the recommendation given in Section 5.4.5 of the Code results from the fact that the Supervisory Board member Dr.-Ing. Ekkehard D. Schulz, Chairman of the Executive Board of ThyssenKrupp AG, is a member of the supervisory boards of more than three listed companies or companies with similar requirements (Bayer AG, MAN SE, RWE AG and AXA Konzern AG). Dr.-Ing. Ekkehard D. Schulz will retire from the Executive Board of ThyssenKrupp AG at the end of the General Stockholders' Meeting of ThyssenKrupp AG on January 21, 2011. All the members of the Board of Management and the Supervisory Board will be in compliance with the recommendation given in Section 5.4.5 of the Code from that date. Since Dr. Schulz has been a member of the three other supervisory boards mentioned above for many years and will now remain a member of the Executive Board of the above listed company for only a brief period, the temporary deviation from the recommendation given in Section 5.4.5 of the Code is considered acceptable.

Leverkusen, December 2010

For the Board of Management:

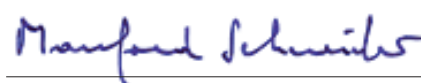
For the Supervisory Board:



Dr. Dekkers



Baumann



Dr. Schneider