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## Recognition

The legal capacity of the foundation established by  
Bayer Aktiengesellschaft with seat in Leverkusen  
as an independent foundation under civil law  
by Act of Foundation and the articles of association of March 16, 2007

### Bayer Cares Foundation

with seat in Leverkusen

is hereby recognized.

Cologne, April 22, 2007

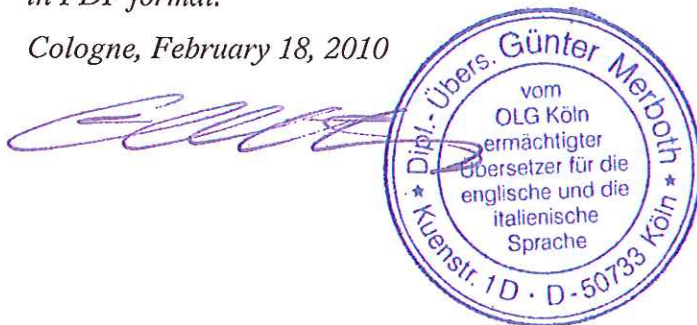
Regional Government Cologne  
Represented by

[stamp Regional  
Government Cologne]

[signature]  
(Schwarz)

*I hereby certify that the foregoing translation (11 pages) is a truthful and complete translation of the 11-page original German document transmitted to me by e-mail in PDF format.*

*Cologne, February 18, 2010*



*Authorized English and Italian  
translator for the district of the  
Higher Regional Court of Cologne,  
Germany*



## Act of Foundation

Bayer Aktiengesellschaft with seat in Leverkusen, represented by Board of Management member Dr. Richard Pott and the Head of the Corporate Office, Mr. Jörg Krell, hereby establishes, by reference to the Foundations Act of the Federal State of North Rhine-Westphalia [*StiftG NRW*] of February 15, 2005 (GV.NRW.Nr.5S52/SGV.NRW40) [Law Gazette NRW No. 5 p. 52 / Compilation of Valid Laws and Ordinances NRW 40], as an independent foundation within the meaning of Section 2 of the Foundations Act of the Federal State of North Rhine-Westphalia, the

### Bayer Cares Foundation

with seat in Leverkusen and guarantees the Foundation original assets in an amount of EUR 1 million in cash.

In the German-speaking region, the Foundation will optionally use the suffix "Bayer Stiftung zur Förderung von Gesellschaft und Umwelt."

The Foundation exclusively and directly pursues charitable and benevolent purposes within the meaning of the section "Tax-privileged purposes" of the German Tax Code.

The Foundation is to be administered by an Executive Committee consisting of two persons and a Board of Trustees consisting of at least three, but no more than five persons.

Dr. Richard Pott and Mr. Thimo Valentin Schmitt-Lord of Bayer AG are to be members of the first Executive Committee.

Mr. Heiner Springer, Head of Corporate Communications, Mr. Jan Peters, Head of Human Resources and Organization, and Dr. Richard Pott are to be members of the first Board of Trustees.

Details are defined by the enclosed articles which form a component of this Act of Foundation.

Leverkusen, March 16, 2007

Bayer AG

[signature]  
Dr. Richard Pott  
Board of Management

[signature]  
Jörg Krell  
Corporate Office  
Management



Version 1

## **- Foundation Articles - Bayer Cares Foundation**

Note: References to persons in this document should be viewed as gender-neutral. The masculine or feminine form is used only for better readability of the text.

### **§ 1**

#### **Name, Legal Form, Foundation Seat, and Fiscal Year**

- (1) The name of the Foundation is Bayer Cares Foundation.
- (2) In the German-speaking region, the Foundation will optionally use the suffix "Bayer Stiftung zur Förderung von Gesellschaft und Umwelt."
- (3) It is a civil law foundation having full legal capacity, with seat in Leverkusen.
- (4) The Foundation's fiscal year is the calendar year.

### **§ 2**

#### **Charitable Purpose of the Foundation**

- (1) The Foundation exclusively and directly pursues charitable and benevolent purposes within the meaning of the section "Tax-privileged purposes" of the German Tax Code.
- (2) The objective of the Foundation is to promote the permanent improvement and development of the economic, social, and ecological aspects of the living conditions of people around the world.
- (3) The purpose of the Foundation is to promote nature conservation and environmental protection, development aid, education, assistance to the young and the elderly, as well as to support the needy (benevolent purposes) according to the guiding principle "Commitment for a Better Life."
- (4) The Foundation's purpose is realized especially by:
  - a) granting project-based cost contributions within the scope of an honorary commitment, primarily within the catchment area of the plants of the Bayer Group, especially for projects involving the provision of assistance to the young and the elderly, as well as education and development aid;



b) providing funds for immediate non-bureaucratic assistance to people in need around the world, especially in relation to natural disasters;  
c) providing funds for projects to promote health, environmental protection, as well as charitable and social projects and facilities around the world, and additionally promoting the conservation of nature and landscapes within the meaning of the German Federal Nature Conservation Act and the nature conservation laws of the German States.

- (5) The core of the commitment is to provide project-based, long-term assistance to promote self-help.
- (6) All objectives fall under the premise of "alleviating particular hardships and helping to meet fundamental social needs," especially by making use of modern technology in the fields of health, nutrition and high-quality materials.
- (7) The assistance must principally benefit persons other than the employees of the Foundation's company.
- (8) Within the scope of realizing the purpose of the Foundation, the Foundation's funds can also be used to a reasonable extent for the public relations work of the Foundation.
- (9) To fulfill its responsibilities, the Foundation will use an assistant within the meaning of Section 57, paragraph 1, sentence 2 of the Tax Code to the extent it does not itself fulfill the responsibilities.
- (10) The Foundation can also realize the stipulated purposes by involving and commissioning other tax-privileged corporate bodies or through a corporate body under public law, or through corporate bodies abroad with similar charitable orientation (Section 58, Nos. 1 and 2 of the Tax Code).
- (11) The Foundation acts altruistically. It does not primarily pursue economic purposes of its own.
- (12) The funds of the Foundation may be used only for the purposes defined in these articles. The Foundation's company and its legal successors receive no benefits from the Foundation's funds.

### § 3

#### Assets of the Foundation

- (1) The assets of the Foundation result from the Act of Foundation.
- (2) The Foundation's assets must be preserved at their undiminished value. They may be used, by way of exception, subject to the consent of the foundation supervisory authority, up to 15 percent of their value, provided that the Foundation's purpose cannot otherwise be realized, and the repayment of the removed assets into the Foundation's assets within the three following years is secured.



The fulfillment of the Foundation's purposes must not be materially impaired by the repayment.

- (3) The Foundation's assets may be restructured. Restructuring gains may be used, in whole or in part, to fulfill the Foundation's purpose. Compliance with clause 2, sentence 1 is required.

#### **§ 4**

##### **Use of Investment Income and Contributions**

- (1) The earnings of the Foundation's assets and the contributions which are not accrued by the Foundation must be used in accordance with the tax regulations in a timely manner to fulfill the Foundation's purpose. Retained earnings or appropriated retained earnings may be established if permitted by tax law. Retained earnings may be added, in whole or in part, to the Foundation's assets. During the year of establishment and in the following two calendar years, net income from asset management may be added, in whole or in part, to the Foundation's assets.
- (2) Contributions intended to be added to the Foundation's assets by a donor or on the basis of a special-purpose call for donations made by the Foundation must be added to the Foundation's assets. Contributions made under a will must be added to the Foundation's assets, unless explicitly designated by the testator to be used immediately in fulfillment of the Foundation's purpose.
- (3) No person may be favored by expenditures that are unrelated to the purpose of the Foundation or by disproportionate compensations.

#### **§ 5**

##### **Legal Status of the Beneficiaries**

- (1) The beneficiaries of the Foundation have no legal claim to benefits from the Foundation on the basis of these articles.

#### **§ 6**

##### **Governing Bodies of the Foundation**

The governing bodies of the Foundation are the:

- a) Executive Committee
- b) Board of Trustees
- c) Foundation Councils

The members of the governing bodies are liable only for intent and gross negligence.



## § 7

### Composition of the Executive Committee

- (1) The Executive Committee consists of two persons.
- (2) The members of the Executive Committee are appointed and removed, and the Chairman of the Executive Committee is nominated, by the Board of Management of Bayer AG as the representative body of the benefactor.
- (3) Members of the Executive Committee remain in office until a successor is appointed. The appointment also ends by death and by resignation, which is permitted at any time.

## § 8

### Rights and Obligations of the Executive Committee

- (1) The Executive Committee represents the Foundation in and out of court. It holds the position of a legal representative. The members of the Executive Committee have sole power of representation. Internally, the Chairman of the Executive Committee represents the Foundation alone, or the Vice Chairman if the Chairman is unavailable.
- (2) The Executive Committee must carry out the will of the benefactor as effectively as possible in accordance with the Foundations Act and these articles. It has the highest decision-making authority over the operational business of the Foundation.
- (3) Its responsibilities are, in particular:
  - a) Managing the Foundation's assets and managing the business, including maintaining records and preparing the annual financial statements.
  - b) Determining the promotion funds available for each fiscal year.
  - c) Developing proposals for the Board of Trustees regarding the distribution of the promotion funds available for each fiscal year to core priorities and program parts.
  - d) Developing proposals for the Board of Trustees regarding the definition of granting criteria for the program parts.
  - e) Making decisions regarding successor appointments to the Board of Trustees according to the proposals of the Board of Trustees.
  - f) Developing proposals to the Board of Trustees regarding the establishment of Foundation Councils and the appointment and successor appointment of their members.
  - g) Developing proposals to the Board of Trustees regarding amendments to the articles and the dissolution of the Foundation in accordance with §§ 13 and 14.
  - h) Establishing requirements for the reimbursement of expenses and expenditures of the members of the Board of Trustees and the Foundation Councils.
- (4) The members of the Executive Committee act in an honorary capacity on behalf of the Foundation. They must not be granted any pecuniary advantages. The reasonable expenses and expenditures they incur may be reimbursed in accordance with a corresponding resolution of the Executive Committee.



- (5) The Executive Committee can issue rules of procedure to itself.
- (6) The Executive Committee can appoint a Managing Director to handle the day-to-day business. The appointed Managing Director reports directly to the Executive Committee and is bound by its instructions. Details are defined in the rules of procedure of the Executive Committee.
- (7) The Executive Committee and the Managing Director, if one is appointed, have the right to attend meetings of the Foundation Councils without the right to vote.

## **§ 9**

### **Composition of the Board of Trustees**

- (1) The Board of Trustees consists of at least three, but no more than five persons.
- (2) The Chairman of the Executive Committee is automatically a member of the Board of Trustees without the right to vote. The Vice Chairman and the Managing Director, if one is appointed by the Executive Committee, have the right to attend meetings of the Board of Trustees without the right to vote.
- (3) The members of the first Board of Trustees are appointed by the Board of Management of Bayer AG as the representative body of the benefactor. The benefactor also appoints the first Chairman and the first Vice Chairman of the Board of Trustees. The succeeding Chairmen and Vice Chairmen will be appointed by the Board of Trustees itself when the first appointed Chairman and Vice Chairman leave the Board of Trustees.
- (4) The members of the Board of Trustees are appointed for a term of office not to exceed five years. Reappointments are permitted. If any member of the Board of Trustees should leave, the Executive Committee appoints a successor. The Board of Trustees has the right to propose successors or the reappointment of members of the Board of Trustees.
- (5) The Executive Committee can remove members of the Board of Trustees for good cause.
- (6) Members of the Board of Trustees can be members of Foundation Councils.

## **§ 10**

### **Rights and Obligations of the Board of Trustees**

- (1) The Board of Trustees advises the Executive Committee in the implementation of the will of the benefactors.
- (2) The following responsibilities, in particular, are incumbent upon the Board of Trustees:
  - a) Approving the actions of the Executive Committee and approving the annual financial statements.



- b) Making decisions regarding the distribution of the promotion funds available for each fiscal year to core priorities and programs according to the proposals of the Executive Committee.
  - c) Defining allotment criteria for the program parts according to the proposals of the Executive Committee.
  - d) Making decisions regarding amendments to the articles or the dissolution of the Foundation upon presentation by the Executive Committee.
- (3) To prepare and implement its decisions and recommendations, the Board of Trustees can establish Foundation Councils upon proposal of the Executive Committee and nominate their members upon proposal of the Executive Committee.
- (4) By coordination with the Executive Committee, the Board of Trustees can authorize experts to prepare and implement its decisions and recommendations.
- (5) The members of the Board of Trustees act in an honorary capacity. They must not be granted any pecuniary advantages. The expenses and expenditures they incur may be reimbursed in accordance with a corresponding resolution of the Executive Committee.

## § 11

### Composition of Foundation Councils

- (1) Foundation Councils are established, as needed, to prepare and implement decisions and recommendations of the Board of Trustees for certain areas of activity and programs of the Foundation's work.
- (2) Foundation Councils consist of at least three, but no more than nine members.
- (3) Foundation Councils are established by the Board of Trustees upon proposal of the Executive Committee. The members of a Foundation Council are appointed by the Board of Trustees upon proposal of the Executive Committee.
- (4) Members of the Board of Trustees can be members of Foundation Councils.
- (5) Members of the Executive Committee and the Managing Director, if one is appointed by the Executive Committee, have the right to attend meetings of the Foundation Councils without the right to vote.
- (6) The members of a Foundation Council are appointed for a term of office not to exceed five years. Reappointments are permitted. If any member should leave, the Board of Trustees appoints a successor upon proposal of the Executive Committee.
- (7) The Board of Trustees and the Executive Committee can jointly remove members of Foundation Councils.





## § 12 Rights and Obligations of Foundation Councils

- (1) The following responsibilities, in particular, are incumbent upon a Foundation Council:
  - a) Advising the Board of Trustees in preparing and implementing its decisions and recommendations.
  - b) Independently allotting the promotion funds in accordance with the articles to the respective fields of priority based on the allotment criteria defined by the Board of Trustees and within the scope of the promotion funds appropriated for the respective fiscal year by the Executive Committee and the Board of Trustees.
  - c) Preparing reports on the program activities to the Executive Committee in preparation of annual reports and to support the media and communication activities of the Foundation.
  - d) Submitting proposed resolutions to the Executive Committee and the Board of Trustees regarding the development of the respective foundation programs and the general conditions.
- (2) Foundation Councils are accountable to the Executive Committee and the Board of Trustees for using the funds according to the articles.
- (3) The members of a Foundation Council act in an honorary capacity. They must not be granted any pecuniary advantages. The expenses and expenditures they incur may be reimbursed in accordance with a corresponding resolution of the Executive Committee.

## § 13 Resolutions

- (1) Resolutions of the governing bodies may be adopted at meetings or by written vote outside of meetings. Resolutions regarding the appointment and removal of members of the governing bodies and resolutions regarding amendments to the articles and the dissolution of the Foundation pursuant to §§ 14 and 15 cannot be adopted in a written vote taken outside of a meeting.
- (2) Meetings of the Executive Committee and the Board of Trustees are convened by the Executive Committee, as needed, but at least once a year, by including the agenda and by giving four weeks notice. The Chairman of each Foundation Council convenes the meetings of the Foundation Councils, as needed, by including the agenda and by giving four weeks notice.
- (3) The Executive Committee, Board of Trustees and Foundation Councils are quorate if more than half of their members are present, or if more than half of their members cast their vote in a written vote taken outside of a meeting within a period of two weeks after the proposed resolution was sent.
  - a) Resolutions are adopted by simple majority. In the event of a tie, the Chairman has the casting vote.
  - b) An absent member can be represented in meetings by a member that is present by way of making a written declaration to the applicable governing body of the Foundation.
- (4) Minutes of meetings must be prepared. Minutes



- a) must be signed by two members of the governing body and brought to the notice of all members of the respective governing body.
- b) All minutes must be brought to the notice of the Executive Committee.

#### **§ 14 Amendments to the Articles**

- (1) Amendments to the articles which do not concern the Foundation's purpose are adopted by the Executive Committee and the Board of Trustees by simple majority of their members.
- (2) If, due to a material change in the circumstances, the fulfillment of the purpose of the Foundation no longer appears to be practical, the Executive Committee and the Board of Trustees can jointly amend the purpose of the Foundation or define a new purpose. The decision requires a majority of three-quarters of the members of the Executive Committee and also of the Board of Trustees. The new foundation purpose must also be tax-privileged.

#### **§ 15 Dissolution of the Foundation / Merger**

The Executive Committee and the Board of Trustees can jointly decide, each with a majority of three-quarters of their members, to dissolve the Foundation or merge it with one or more other tax-privileged foundations if the circumstances no longer permit the permanent and effective fulfillment of the purpose of the Foundation, and if the effective fulfillment of a new foundation purpose as amended in accordance with § 14, paragraph 2 is also ruled out. In the case of a merger, the new foundation coming into existence must also be tax-privileged.

#### **§ 16 Accession to Assets**

If the Foundation is dissolved or terminated or if the tax-privileged purposes cease to exist, the assets will be transferred to a legal entity under public law, or another tax-privileged corporate body to be used to promote nature conservation and environmental protection, development aid, education, assistance to the young and the elderly, as well as to support the needy (benevolent purposes).

#### **§ 17 Notification of the Foundation Supervisory Authority**

The foundation supervisory authority must be notified at any time upon request of all affairs of the Foundation. The annual financial statements must be presented to the foundation supervisory authority without being requested.



**§ 18**  
**Position of the Tax Office**

Notwithstanding the special approval requirements resulting from the Foundations Act, the responsible tax office must be notified of any resolutions regarding amendments to the articles and the dissolution of the Foundation. If an amendment to the articles concerns the purpose of the Foundation, the opinion of the tax office regarding tax privileges must be obtained in advance.

**§ 19**  
**Foundation Supervisory Authority**

The Regional Government of Cologne is the foundation supervisory authority. The highest foundation supervisory authority is the Ministry of the Interior of the Federal State of North Rhine-Westphalia. Compliance with the recognition and consent powers of the foundation supervisory authority is required.

**§ 20**  
**Effective Date**

These foundation articles take effect on the day the certificate of recognition is delivered.

Leverkusen, March 16, 2007

Bayer AG

[signature]  
Dr. Richard Pott  
Board of Management

[signature]  
Jörg Krell  
Corporate Office  
Management

[initials]