



## **Joint declaration by Bayer AG's Board of Management and the Bayer European Forum**

The Board of Management of Bayer AG has decided to float BMS AG on the stock market and has presented its plans to the Bayer European Forum.

In light of these further structural changes to the Bayer Group, the Bayer European Forum and the Board of Management of Bayer AG have agreed on principles for the socially responsible implementation of the separation of BMS.

Bayer and BMS AG will continue to invest in the maintenance of the European sites with a view to safeguarding and expanding the European sites of Bayer and of BMS AG following its legal separation.

Any future personnel measures at Bayer and at BMS AG following its legal separation from Bayer will be also be implemented in such a manner as to avoid social hardship and safeguard employment in the long term.

The new legally independent BMS AG will be set up with the aim of optimally managing and strengthening the business and the respective activities and safeguarding jobs. The Board of Management of Bayer AG will do everything to ensure that existing policies on social matters are maintained with respect to the employees of the new BMS AG. This applies to employees of all salary grades.

All economically necessary decisions made by BMS AG, too, must take into account the need to preserve and safeguard jobs. The Board of Management has confirmed that, if there should be headcount adjustments at BMS AG, the "Terms of Fair Treatment" shall be applicable for the implementation of such measures up to the end of 2020.

Because the proposed measures will affect employees worldwide, and thus also have an impact on our European sites, the Board of Management and the employee representatives regard the meetings of the Joint Committee as an essential platform for information and consultation on the planned changes, and also for accompanying the measures that will be necessary in the affected European countries over the next two years.

The timing, content and method of this dialogue between employee representatives and management will ensure that the employee representatives can present their opinion – based on the information provided – for consideration by the Community-scale Bayer Group, within an appropriate time frame.

The Board of Management and the employee representatives on the Joint Committee have agreed that potential headcount adjustments will be made by the end of 2020 in accordance with the current "Terms of Fair Treatment."

The "Terms of Fair Treatment" cover the following points:

1. Clear analysis of the situation, risks and opportunities
2. Clear definition of targets and subsequent tracking of these targets
3. Fair treatment of the employees affected
  - Open and transparent information and consultation process
  - Exhausting of all internal possibilities to safeguard jobs (increased productivity and cost savings)
  - Avoidance of dismissals for operational reasons wherever possible (only as the last resort)
  - Where severance is unavoidable: assistance with finding a new job
  - Openness to solidarity contributions by employees
4. Improving the employability of all members of the workforce

When implementing potential headcount adjustments, efforts should focus primarily on transferring employees with the relevant personal skills and qualifications to other available jobs within the respective country. When taking such decisions, it should also be considered whether employees can be qualified for other positions through a training program that takes account of operational interests and satisfies the demands of the new job.

This joint procedure should help to implement the necessary measures in the European countries in a socially responsible manner.

In this context, the Joint Committee can serve as a clearing point in accordance with the Group Agreement on the Bayer European Forum.

This agreement does not affect the codetermination or participatory rights of the employee representatives in the various countries. These shall continue to be governed by the valid national provisions and company-specific regulations.

Leverkusen, November 13, 2014

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Board of Management of Bayer AG

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Bayer European Forum