

Control and Profit Transfer Agreement

between
Bayer Aktiengesellschaft, Leverkusen (“Bayer”)
and
Bayfin GmbH, Leverkusen (“Bayfin“)

§ 1 **Management**

- (1) Bayfin shall subordinate the management of its company to Bayer. Bayer is thus entitled to instruct Bayfin's Management Board with respect to the management of the company.
- (2) Bayer shall exercise its right to give instruction only through its Board of Management. Instructions must be in writing.

§ 2 **Profit Transfer**

- (1) Bayfin agrees to transfer its entire profit to Bayer. This obligation becomes first effective for the entire profit of the fiscal year beginning on January 1, 2006. Except for the setting up or reversal of retained earnings pursuant to § 2 (2) below, the year's net income before transfer of profit less any losses carried forward from the previous year is to be transferred.
- (2) Upon consent by Bayer, Bayfin may appropriate funds from the year's net income to other retained earnings (§ 272 (3) German Commercial Code (*Handelgesetzbuch*)) if this is permissible under the German Commercial Code and would be considered commercially reasonable by a prudent businessman. Upon Bayer's request, other retained earnings pursuant to § 272 (3) of the German Commercial Code (*Handelgesetzbuch*) set up during the life of this Agreement shall be reversed and applied against any year's net losses or be transferred as profits. There shall be no transfer of funds from the reversal of other retained earnings pursuant to § 272 (3) of the German Commercial Code (*Handelgesetzbuch*) existing before this Agreement becomes effective or from capital reserves. § 301 of the German Stock Corporation Act (*Aktiengesetz*) shall apply analogously.

§ 3
Assumption of Loss

Bayer has a duty towards Bayfin to assume losses under analogous application of the provisions of § 302 of the German Stock Corporation Act (*Aktiengesetz*) concerning profit transfer agreements.

§ 4
Effective Date and Term

- (1) This Agreement requires the approval of the Shareholders' Meeting of Bayfin and the Stockholders' Meeting of Bayer.
- (2) The Agreement shall become effective upon its entry into the commercial register at Bayfin's registered office and, except for the right to give instructions, shall apply retroactively as of January 1, 2006. The right to instruct may be first exercised upon entry of the Agreement in the commercial register located at the registered office of Bayfin.
- (3) The Agreement may be terminated by giving six-months notice as of the end of any fiscal year however not before expiration of December 31, 2010. If the Agreement is not terminated, then, subject to the same notice period, it is automatically extended for one year respectively.
- (4) The right to terminate the Agreement for cause without notice shall remain unaffected. In particular, Bayer shall be entitled to terminate for cause if it no longer owns a majority interest in Bayfin or if another person acquires a shareholding interest in Bayfin.

§ 5
Miscellaneous

The invalidity or infeasibility of one or more provisions of this Agreement shall not affect the validity of the remaining provisions.

Leverkusen, March 2, 2006
Bayer Aktiengesellschaft

Waltersdorf, March 2, 2006
Bayfin GmbH