

Index

I. INTRODUCTION & PHILOSOPHY	3
II. COMPLIANCE IS EVERYONE'S BUSINESS	4
Use the news paper test.....	5
III. YOUR RESPONSIBILITIES TO THE COMPANY AND ITS STAKEHOLDERS ...	5
A. General Standards of Conduct	5
B. Equal-opportunities employer	5
C. Prohibition of Child Labour	6
D. Workplace free of Harassment	6
E. Sexual Harassment.....	6
F. Drug and Alcohol Abuse	7
G. Health & Safety.....	7
H. Protection of environment.....	8
I. Applicable Laws	8
J. Conflicts of Interest & Related Parties	8
K. Corporate Opportunities.....	10
L. Obligation to Protect Company's Confidential Information	10
M. Obligations under Securities Laws to prevent "Insider" Trading.....	11
N. Use of Company's Assets.....	12
O. Maintaining-Managing Records & Public Disclosures	14
P. Absolute NO to Corruption / Fair Dealings on arms length basis.....	15
Q. Public Communications:	16
IV. RESPONSIBILITIES TO OUR CUSTOMERS AND OUR SUPPLIERS	16
A. Products & Customer Relationships	17
B. Selecting Suppliers	17
C. Payments or Gifts from Others	18
D. Confidential Information of Others	19
E. Publications of Others.....	19
F. Relations with Government & Authorities	20
G. Free and Fair Competition.....	20
V - WHEN YOU HAVE AN INTEGRITY CONCERN	20
Transparency and Open Door Communication	21
VI. AMENDMENTS	21
VII. DISCIPLINARY ACTIONS / CONSEQUENCES OF VIOLATING THE CODE .	22
VIII. ACKNOWLEDGMENT OF RECEIPT AND UNDERSTANDING OF CODE OF BUSINESS CONDUCT AND ETHICS	22
A. Acknowledgement of the Bayer Code of Business Conduct for Employees.	23
B. Acknowledgement of the Bayer Code of Business Conduct for Consultants / Agents.	23
Annexure - A	24
Procedural Guidelines	24

I. INTRODUCTION & PHILOSOPHY

The success of the Bayer Group is based on many factors. Among the most important – along with our technical expertise - is our employees' sense of responsibility. Bayer is committed to conducting its operations not only in compliance with law but also according to ethical principles as our success is also very much the result of our values, which we are constantly working to reinforce and communicate to our employees, shareholders and clients.

The company and the world in which we operate continue to change with dynamic speed. Despite all the change, one thing is constant: integrity remains our core value. Bayer's quest for competitive excellence begins and ends with our commitment to lawful and ethical conduct and adhering to the Bayer values.

This Code of Business Conduct helps ensure compliance with legal requirements and our standards of business. All, senior management personnel, employees and trainees of the Company are expected to read, understand and follow this Code, uphold these standards in day-to-day activities, comply with all applicable policies and procedures, and ensure that all agents and contractors are aware of, understand and adhere to these standards.

Indeed, no Code can attempt to anticipate the myriad issues that arise in a business as diverse and dynamic as ours. However, by following this Code and other policies and procedures, by adhering to the letter and the spirit of all applicable laws and regulations, and above all by applying sound judgment to your activities, you can demonstrate your commitment to Bayer's five core values—i. A will to succeed ii. A passion for our stakeholders iii. Integrity, openness and honesty iv. Respect for people and nature and v. Sustainability of our actions.

This Code of Business Conduct is designed to give you a broad and clear understanding of the conduct expected of by you and to provide you with a mechanism for disclosure leading to informed decisions

This Code aims to illustrate how our values are applied through standards of conduct with each of our key stakeholders— customers, employees, shareholders, suppliers and communities.

Reference is also drawn to the Bayer Group Guidelines 1066 relating to the Guidelines for Legal Compliance & Corporate Responsibility at Bayer. This is available at the Bayer India Intranet site under Corporate Compliance.

Reference to 'Company' in this Code includes all Bayer Group Companies.

Bayer strongly encourages you to discuss freely any concerns. In particular, if you are unclear about the applicability of the law to your job responsibilities, or if you are unsure about the legality or integrity of a particular course of action, you should seek the advice of your supervisor or Compliance Committee consisting of CFO of Bayer CropScience Limited who has been appointed as Compliance Manager by Bayer AG, General Manager – Internal Audit and General Counsel & Company Secretary. You should never assume that an activity is acceptable merely because others in the industry engage in it. Trust your instincts—if something does not appear to be lawful or ethical, it may not be.

The requirements of this Code are mandatory. Employees will also be asked to sign an acknowledgment indicating that you have received, read, understand and agree to comply with the Code of Business Conduct. The signed acknowledgment form will be located in your personnel file with the HR Department. Failure to comply with this code will adversely affect the ethical environment on which Bayer's success depends.

For each policy that relates to your job, be sure to read the complete and latest text of the policy, found on the Bayer intranet and website (www.bayer.co.in). Talk to your manager to understand how the policies apply to your job. If you do not have Web access, you can obtain a printed copy of any policy from your manager or, if you prefer, from the members of the Compliance Committee or Human Resources Department.

Q *Why do we need a Code of Business Conduct? We have always had a good reputation for integrity and honest business practices*

A Bayer has always enjoyed a good reputation and our values and standards have long been a source of pride for employees. Recognizing that we operate in a dynamic and rapidly changing business environment, we could easily lose our good name if we do not continually reinforce our values and standards. To ensure that integrity and values remains a continuing priority and that employees understand the Company's expectations it was decided to compile the Company's basic guidelines on business practices. New corporate governance initiatives, some of which mandate that companies have a code of ethics, further emphasize the need for this Code

Q *Many of the topics don't seem to apply to me. Why should I be concerned with this Code?*

A As a company-wide, global document, some sections and topics may be more relevant to certain functions or departments than to others. However, it may be helpful to be aware of how business is expected to be conducted in different areas of the Company.

All company employees and trainees will receive a copy of this Code at the time they join the company and will *receive* periodic updates. Also, any agent, consultant, government official or government employee who is retained by the company should receive this Code and understand the obligations under it.

II. COMPLIANCE IS EVERYONE'S BUSINESS

While Bayer is result oriented, it is equally concerned about how these are obtained. Bayer expects compliance with its values and standards of integrity throughout the organization and will not tolerate employees who achieve results at the cost of violation of law or who deal unscrupulously.

Ethical business conduct is critical to our business. Your responsibility is to respect and adhere to these practices. Many of these practices reflect legal or regulatory requirements. Violations of these laws and regulations can create significant liability for you, the Company, its directors, officers, and other employees and can lead to disciplinary action up to and including termination.

Part of your job and ethical responsibility is to help enforce this Code of Business Conduct and Ethics. You should be alert to possible violations and report possible violations of this Code of Business Conduct, or other Company policies or procedures or law under the Company's Whistle Blowing Policy. You must co-operate in any internal or external investigations of possible violations. Reprisal, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

If the disclosure by the employee reveals that the employee himself is involved in the malpractice, the company will, when deciding on measures to be taken, make due account of the employee's contribution to the disclosure, in particular if the disclosure has contributed to mitigating damages to the company.

Use the news paper test

Each individual is responsible for his or her own actions. In situations where you are not sure about the ethical position of your proposed action, Bayer urges you to use the "news paper headline test" by asking, "If my actions were reported on the front page of the newspaper and made public would I be comfortable with my decision?" If the answer is "no", the proposed action should not be taken.

In all cases, if you are unsure about the appropriateness of an event or action, please seek assistance in interpreting the requirements of these practices by contacting your manager or Secretarial & Legal Department or the Compliance Committee.

Some situations may seem ambiguous. Exercise caution when you hear yourself or someone else say, "Everybody does it," "Maybe just this once," "No one will ever know" or "It won't matter in the end." These are signs to stop, think through the situation and seek guidance. Most importantly, don't ignore your instincts. Ultimately, you are responsible for your actions.

III. YOUR RESPONSIBILITIES TO THE COMPANY AND ITS STAKEHOLDERS

A. General Standards of Conduct

The Company expects all employees, agents and contractors to exercise good judgment to ensure safety and welfare and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. These standards apply while working on our premises, at offsite locations where our business is being conducted, at Company-sponsored business and social events, or at any other place where you are a representative of the Company. Employees, agents or contractors who engage in misconduct or whose performance is unsatisfactory may be subject to corrective action, up to and including dismissal or termination of a business relationship.

You shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. You shall be committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any products and services on the ecological environment.

Managers must develop and maintain policies and written procedures to ensure the provisions of this Code and all applicable legal and regulatory requirements are adhered to in the day-to-day operations.

B. Equal-opportunities employer

To meet our long-term growth and efficiency requirements, we must build an organization that responds quickly to change and one in which all people can achieve their full potential. Differences in backgrounds, experiences, perspectives and talents are a fundamental strength of our Company. We treat each individual fairly, and recruit, select, train and pay based on merit, experience and other work-related criteria.

Bayer shall provide equal opportunities to all its employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. Employees of Bayer shall be treated with dignity to maintain a work environment free of sexual harassment, whether physical, verbal or psychological.

We seek to provide a workplace atmosphere that attracts highly talented people and helps them achieve their full potential. Each of us is responsible for creating a climate of trust and respect, and for promoting a productive work environment

Q Is it acceptable to stipulate gender and age for an open position?

A What is the business justification for advertising positions based on gender or age? Treating people fairly by hiring based solely on job-related criteria is not only the right thing to do, its smart business.

C. Prohibition of Child Labour

Bayer strictly prohibits the use of child labour in any form. Employment of child labour is a criminal offence. The Child Labour (Prohibition and Regulation) Act, 1986 bans the employment of children below the age of fourteen years in factories, mines and hazardous employment and also regulates the working conditions of children in other employment.

Q I suspect that one of our suppliers is using child labour. What should I do?

A Discuss your observation with your manager. You may also contact the Compliance Committee if you prefer, advising them of your observations.

D. Workplace free of Harassment

Bayer is committed to providing a work environment free of unlawful harassment. Bayer prohibits sexual harassment and harassment based on pregnancy, childbirth or related medical conditions, race, religious creed, colour, nationality, origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other basis protected by federal, state, or local law or ordinance or regulation. All such harassment is unlawful. This policy applies to all persons involved in the operation of the Company and prohibits unlawful harassment by any employee of the Company towards other employees including supervisors, outside vendors, clients. It also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

Misconduct, including discrimination, harassment, retaliation or other forms of unprofessional behaviour, may subject you to disciplinary action up to and including dismissal. In addition, conduct that is unlawful may subject you to civil, and in some cases criminal, liability.

Q It is common in my country to make jokes about certain nationalities. Is it acceptable to have some jesting in the office?

A Humour is an important element of life, both inside and outside of the office. However, it is not acceptable to make fun at the expense of others based on national, ethnic or other differences, because it can be offensive. Such behaviour, even if not so intended, contributes to an environment of intolerance. If you are not sure if a joke or comment is appropriate, refrain from communicating it.

E. Sexual Harassment

Sexual harassment is a form of workplace harassment of a sexual nature that affects the dignity of men and women at work. Sexual harassment includes, but is not limited to, demanding sexual considerations in exchange for job benefits, threatening or taking adverse employment actions if sexual favours are not granted, or unwelcome physical contact.

The sexual harassment cases can be classified into two categories - quid pro quo and creating hostile working environment.

a) Under the quid pro quo form of harassment, a person or authority, usually the superior of the victim, demands sexual favours for getting or keeping a job benefit.

b) A hostile work environment arises when a co-worker or supervisor, engages in unwelcome and inappropriate sexually based behaviour, renders the workplace atmosphere intimidating, hostile or offensive.

If you feel you have been harassed, inform the offender that the action is unwelcome. If you are not comfortable with a direct approach or if it fails to correct the problem, discuss the matter with your supervisor or with the Compliance Committee.

Q Is it permissible to date a subordinate if it is a consensual relationship?

A Romantic relationships with subordinates may damage morale and disrupt productivity in the workplace. In particular, there is an inherent risk of unequal treatment in comparison to other subordinates. There is an inherent conflict of interest in managing someone with whom you have a romantic relationship. Even if you are acting impartially, the perception will most likely be different. Therefore, you must immediately disclose the relationship to your manager and Human Resources. They will try together with you to find a solution which avoids such conflict of interest (e.g. replacement within the company).

F. Drug and Alcohol Abuse

To meet our responsibilities to employees, customers and investors, Company must maintain a healthy and productive work environment. Misusing controlled substances, or selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs and alcohol on the job is absolutely prohibited.

Use of illegal drugs and alcohol abuse create serious health and safety risks in the workplace. The possession, sale or use of illegal drugs on Company time or property or impairment from alcohol when conducting Company's business or at Company sponsored events is also prohibited. It is important that cases of drug and alcohol abuse be brought to management's attention immediately.

G. Health & Safety

We conduct our operations with the highest regard for the safety and health of employees and the protection of the general public. Each of us is responsible for complying with safety rules and regulations and for taking the necessary precautions to protect ourselves and our colleagues. We must report all accidents and take action to correct unsafe practices or conditions, with a goal of continuously improving our performance. HSE can always be contacted to answer specific questions about our safety standards.

Q Is it really necessary to report a minor accident? I don't want to jeopardize our plant's safety record.

A To maintain safety performance excellence and to strive for an accident-free environment, you must report all accidents, no matter how minor, and work to eliminate unsafe practices and conditions. Reporting even minor accidents is important as it helps us to identify hazards and take corrective action before serious injuries can occur.

Q If I uncover a serious, unsafe condition, can I shut-down operations?

A A shut-down of operations can be an extremely disruptive response to a safety problem; however, sometimes it may be required in order to protect people or the facility from a serious hazard. The Company expects employees who discover unsafe conditions to report them to their supervisor so that the conditions can be remedied in the most effective manner.

H. Protection of environment

In line with the principles of the Responsible Care initiative, the Company has made a voluntary commitment to continually improve its environmental performance. We comply with the letter and spirit of all environmental laws and regulations and respect the environment in which we operate. Operating a facility without proper approvals, deliberately or recklessly exceeding the limits imposed on operation under the terms of the licences, or pollutants without proper treatment can render those responsible liable to criminal prosecutions. Third-party claims for damages may also impose a financial burden on the company.

In the event of an unintentional discharge or similar incident, notify the Site in charge / HSE immediately so that corrective action can be taken to limit the effects of the incident. No employee will be penalized for making such a report, but disciplinary measures may be taken against an employee who fails to do so.

I. Applicable Laws

A company always acts through people. The company and its employees share identical interests with regard to obeying the law. All Company employees, agents and contractors must comply with all applicable laws, regulations, rules and regulatory orders and every supervisor must ensure that the employees who report to him or her are fulfilling that obligation.

The very suspicion of illegal conduct can alter public opinion, thereby adversely affecting the behaviour of our customers or stakeholders. Apart from direct financial damage, the company's reputation may be harmed and, as a result, its market position may be jeopardized.

Each employee, agent and contractor must acquire appropriate knowledge of the requirements relating to his or her duties sufficient to enable him or her to recognize potential dangers and to know when to seek advice from your manager or the Secretarial & Legal Department on specific Company policies and procedures. Violations of laws, regulations, rules and orders may subject the employee, agent or contractor to individual criminal or civil liability, as well as to disciplinary action by the Company or termination of business relationship. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

J. Conflicts of Interest & Related Parties

What constitutes conflict of interest? A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company

All employees have an obligation to act in the best interests of the Company. You should avoid any activity, interest, or association that could impair your ability to perform your work objectively and effectively or that could give the appearance of interfering with your responsibilities on behalf of the Company or its clients.

Each of us has a responsibility to the Company, its stakeholders and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur. We should always strive to avoid even the appearance of impropriety. As a general rule, you should avoid conducting Company business with a relative. Relatives include spouse, siblings, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws.

You should promptly report any potential relationships, actions or transactions (including those involving family members) that reasonably could be expected to give rise to a conflict of interest

to your manager. You must excuse yourself from any discussion or decision affecting your personal, business or professional interests.

It is not possible to describe every situation in which a conflict of interest may arise. The following, however, are examples of situations that may raise a conflict of interest

(i) Employment/Outside Employment. In consideration of your employment with the Company, you will give and devote the whole of your time exclusively to your duties with the Company and while serving the Company shall not, without the prior consent in writing of the immediate Supervisor / Head of HR, engage yourself directly or indirectly in any trade, business, occupation, employment, service or calling. Further during your employment with the Company, you are prohibited from taking up any employment or service or carry on any business either in partnership with others or on your own account similar to or in any way competitive with the business of the Company.

(ii) Outside Directorships. You cannot become a Director in any company which is a competitor, supplier, customer, developer or business partner with the Company. Directorships with any other company other than what is stated above is only permitted with the prior approval of the Chairman or Managing Director of the Company.

Q A corporate service assistant's husband owns an office supply firm with lower prices than anyone else. The assistant's duties at the company included ordering office supplies, so she ordered them from her husband's firm. But she didn't ask her Manager for prior approval of the transaction with a family member.

A The employee violated the Code of Business Conduct. A Manager must approve in advance any transaction in which an employee has a financial interest.

Q My husband works for a competitor. Do I need to inform the Company?

A This is a potential conflict of interest and must be disclosed to your manager. Once the potential conflict is disclosed, the Company can take steps to properly address the situation, if necessary. For example, if he is working on a product that competes with the product that you work on, the Company may elect to assign you to another product.

Q My fiancé works for one of our distributors. Since he is not a family member and is not associated with Bayer's business, must I disclose this to my manager?

A Close relationships such as a fiancé could also be considered a potential conflict of interest. To determine if this may be true in your case, discuss the matter with your manager.

Q I own a few shares of stock in Wipro Limited. Wipro provides support services to Bayer, must I report this as a conflict of interest?

A An investment representing less than 1 percent of outstanding shares of a publicly owned Company such as Wipro, or where the value of such investment constitutes less than Rs. 50,000, whichever is lower, would not be considered a potential conflict of interest under our policy.

The Company discourages the employment of relatives in positions or assignments within the same department and prohibits the employment of such individuals in positions that have a financial dependence or influence (e.g., an auditing or control relationship, or a supervisor/subordinate relationship). The purpose of this policy is to prevent the organizational impairment and conflicts that are a likely outcome of the employment of relatives or significant others, especially in a supervisor/subordinate relationship. If a question arises about whether a relationship is covered by this policy, the Human Resources department can approach the Compliance Committee for determining whether an applicant's or transferee's acknowledged relationship is covered by this policy. Wilful withholding of information regarding a prohibited relationship/reporting arrangement may be subject to corrective action, up to and including dismissal. If a prohibited relationship exists or develops between two employees, the employee in the senior position must bring this to the attention of his/her supervisor. The Company retains

the prerogative to separate the individuals at the earliest possible time, either by reassignment or by termination, if necessary.

K. Corporate Opportunities

You owe a duty to the Company to advance its interests. No employee or officer may use their position or corporate property or information for personal gain.

L. Obligation to Protect Company's Confidential Information

"Confidential information" is information that is not generally known to the public about Company, its clients, or other parties with whom Company has a relationship and that have an expectation of confidentiality. The Company's confidential information is its valuable asset. The Company's confidential information includes all intellectual property, business plans, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with Company and commercial, legal, scientific, technical data, unpublished financial information etc that are either provided to or made available to the employee by the Company to facilitate his work or that the employee is able to know or has obtained access by virtue of his employment or position with the Company. Protecting our proprietary and confidential information is critical to the Company's reputation for integrity and its relationship with its clients, and ensures compliance with the complex regulations governing the Company. Accordingly, you should maintain all proprietary and confidential information in strict confidence, except when disclosure is authorized by the Company or required by law.

The loss of confidential information can be extremely damaging to our competitive position. Such information is the property of the Company and may be protected by patent, trademark, copyright and trade secret laws. All confidential information must be used for Company business purposes only. Every employee, agent and contractor must safeguard it.

Unauthorized use or distribution of proprietary or confidential information violates this policy and could be illegal. Such use or distribution could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions. Your obligation to protect the Company's proprietary and confidential information continues even after you leave the Company and you must return all such information in your possession upon your departure.

Do not disclose nonpublic information to anyone outside the company, except when disclosure is required for business purposes and appropriate steps have been taken to prevent misuse of the information. Confidential information shall be secured by displaying:

1. "Private, Privileged and Confidential" on the first page of the information
2. Confidentiality notice on the first page of the information, as given below:
"This information is intended only for the use of the individuals to whom it is addressed and may contain information that is privileged or confidential or which may not be disclosed under applicable law. If you are not the intended recipient, please notify us immediately and forward the communication to us. Use of the information for any purpose, or copying or distribution, dissemination or delivery of the information is strictly prohibited."
3. Super-scribe every envelope in which the Confidential Information is dispatched with the notation "Confidential Information – Envelope to be opened by addressee only"

Q *A marketing manager was preparing a presentation on a new company promotion. She was excited about the plan and wanted to discuss it with a friend outside the company. She wasn't sure if that would be a Code violation, so she checked with her manager.*

A It's a good thing she checked. Sharing non-public information is a Code violation, even if the recipient doesn't work for a competitor, customer or supplier.

This obligation extends to confidential information of third parties, which the Company has rightfully received under Non-Disclosure Agreements. (for more details see the Company's policy dealing with Handling Confidential Information of Others set forth in Section IV-D of this Code)

(i) **Disclosure of Company's Confidential Information.** To further the Company's business, from time to time our confidential information may be disclosed to potential business partners. However, such disclosure should never be done without carefully considering its potential benefits and risks. If you determine in consultation with your manager and other appropriate Company management that disclosure of confidential information is necessary, you must then contact the Secretarial & Legal Department to ensure that an appropriate written nondisclosure agreement is signed prior to the disclosure. The Company has standard nondisclosure agreements suitable for most disclosures. You must not sign a third party's nondisclosure agreement or accept changes to the Company's standard nondisclosure agreements without review and approval by the Company's Secretarial & Legal Department.

(ii) **Requests by Regulatory Authorities.** The Company and its employees, agents and contractors must co-operate with appropriate government inquiries and investigations. In this context, however, it is important to protect the legal rights of the Company with respect to its confidential information.

General guidelines for protecting confidential Company information include:

- Not discussing sensitive Company business in public;
- Using password protection on computer files;
- Securing sensitive information in locked files and cabinets;
- Securing sensitive information on laptop computers while travelling;
- Exercising caution when using speakerphones and cellular phones.

Q *I overheard the Company officials discussing Company business while travelling. What, if anything, should I do?*

A If you believe the information that is being discussed is sensitive or confidential, advise the officials that they can be overheard. Every Company employee has a responsibility to ensure that confidential and proprietary information is not disclosed in public.

M. Obligations under Securities Laws to prevent "Insider" Trading

In the normal course of business, officers, directors, employees, agents, contractors and consultants of the Company may come into possession of significant, sensitive insider information. All non-public information about Bayer or its clients or counterparties that may have a significant impact on the price of our shares or other financial instrument, or that a reasonable investor would be likely to consider important in making an investment decision, should be considered inside information. This information is the property of the Company - you have been entrusted with it. You are prohibited from trading in Bayer's securities if you possess material non-public information about Bayer. You shall not profit from it by buying or selling securities yourself. Further, you shall not tip others to enable them to profit or for them to profit on your behalf. Information is considered to be "non-public" unless it has been publicly disclosed, and adequate time has passed for the securities markets to digest the information.

The purpose of this policy is both to inform you of your legal responsibilities and to make clear to you that the misuse of sensitive information is contrary to Company's Insider Trading Policy and SEBI's Insider Trading Code.

Insider trading is a crime, penalized by fines and imprisonment for individuals. In addition, the SEBI may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from the trading or Rs. 25 Crores whichever is HIGHER.

Insider trading rules are strictly enforced, even in instances when the financial transactions seem small. The Company has identified trading window closure period for “designated employees” who, as a consequence of their position with the Company, are more likely to be exposed to material non-public price sensitive information about the Company. For more details and to determine if you are restricted from trading during the window closure period, you should read the Company’s Insider Trading Policy carefully and should obtain pre-clearance for trading and trade only during a trading window open period.

Employees, agents and contractors of the Company who violate this Policy will also be subject to disciplinary action by the Company, which may include dismissal or termination of business relationship. All questions regarding the Company's Insider Trading Policy should be directed to the Secretarial & Legal Department.

Q An administrative assistant heard an office rumour that the company was considering acquiring a small listed agrochemical company. She wondered if it was OK to acquire some shares of the other company. She asked her manager.

A Don’t buy the shares, the manager said, after seeking advice from the Company’s Secretarial & Legal Department. It’s a violation of the Code, a violation of securities laws on insider trading and the Company’s Insider Trading Policy. She didn’t buy the stock—it wasn’t worth going to jail or losing her job. The same holds good for even buying Bayer’s shares upon inside information.

N. Use of Company's Assets

(i) **General.** Company assets are meant for company, not personal, use. Company assets include your time at work and work product, as well as the company’s equipment and vehicles, computers and software, company information, and trademarks and name. Protecting the Company’s assets is a key fiduciary responsibility of every employee, agent and contractor. Care should be taken to ensure that assets are not misappropriated, loaned to others, or sold or donated, without appropriate authorization. All Company employees, agents and contractors are responsible for the proper use of Company assets, and must safeguard such assets against loss, damage, misuse or theft. Employees, agents or contractors who violate any aspect of this policy or who demonstrate poor judgment in the manner in which they use any Company asset may be subject to disciplinary action or termination of the business relationship at the Company’s sole discretion.

Use good judgment and talk to your manager. In special circumstances (e.g. matters of urgency) he may approve the personal use of a fax machine, telephone or the internet, provided such usage is unsubstantial and infrequent.

(ii) **Physical Access Control.** The Company has developed procedures for physical access control of assets to ensure privacy and safeguard Company’s assets from theft, misuse and destruction. You are personally responsible for complying with the level of access control that has been implemented in the facility where you work. You are advised to use proper login-password and locking facility available.

(iii) **Computers and Other Equipment.** The Company strives to furnish employees with the equipment necessary to efficiently and effectively do their jobs. You must care for that equipment and use it responsibly only for Company business purposes. If you use Company equipment at your home or off site, take precautions to protect it from theft or damage, just as if it were your own. If the Company no longer employs you, you must immediately return all such equipment. While computers and other electronic devices are made accessible to employees to assist them

to perform their jobs and to promote Company's interests, all such computers and electronic devices, whether used entirely or partially on the Company's premises or with the aid of the Company's equipment or resources, must remain fully accessible to the Company and, to the maximum extent permitted by law, will remain the sole and exclusive property of the Company.

Make use of common sense while using Company's assets. The occasional personal phone call from your workplace, for example, is inevitable. Substantial personal phone calls, however, represent misuse. The point is to recognize that there is a deliberate misuse of company assets which is a violation of the Code.

Q I am in the process of buying a house and must immediately fax a three-page document to my agent. May I use the Company fax or must I leave the office and find a public fax?

A Use good judgment and, in this case, use the Company fax. Personal use of a Company fax machine is acceptable provided such usage is insubstantial and infrequent. If you have questions about such situations, discuss them with your manager

General guidelines for the various communication tools include:

- Telephones: Use common sense and good judgment when using Company telephones for personal business. A quick call home is acceptable -- lengthy overseas calls are not acceptable.
- Faxes and Photocopiers: Personal use is acceptable provided it is infrequent and insubstantial. Photocopying your tax return is acceptable – copying announcements for your sports club is not acceptable.
- Internet and E-mail: Our personal use should not interfere with work productivity and not exceed a nominal cost to the Company. Again, use common sense and good judgment. Checking e-mails during your lunch hour is acceptable – spending the afternoon “surfing the web” is not acceptable.

You are responsible for making fair and proper use of all electronic communications devices including computers, e-mail, connections to the Internet, intranet and extranet and any other public or private networks, voice mail, video conferencing, facsimiles, and telephones.

Please note that the following are some examples of inappropriate use of the Internet and e-mail and are strictly forbidden at all times:

- Downloading and transmitting pornographic, sexist, racially or ethnically insensitive material.
- Posting your personal opinions or views on any subject including with regard to the Company or the Company's business in Internet newsgroups, chat rooms, bulletin boards, etc., unless you are specifically authorized by the Company to do so.
- Conducting private business activity on the Internet or E-mail Systems.

Employees, agents and contractors should not maintain any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic communications device owned, leased, or operated in whole or in part by or on behalf of the Company. To the extent permitted by applicable law, the Company retains the right to gain access to any information received by, transmitted by, or stored in any such electronic communications device, by and through its employees, agents, contractors, or representatives, at any time, either with or without an employee's or third party's knowledge, consent or approval.

(iv) **Software.** All software used by employees to conduct Company business must be appropriately licensed. Never make or use illegal or unauthorized copies of any software, whether in the office, at home, or on the road, since doing so may constitute copyright infringement and may expose you and the Company to potential civil and criminal liability. In addition, use of illegal or unauthorized copies of software may subject the employee to disciplinary action, up to and including dismissal. The Company's IM Department will inspect

Company computers periodically to verify that only approved and licensed software has been installed. Any non-licensed/supported software will be removed.

(v) **Company Funds.** Every Company employee is personally responsible for all Company funds over which he or she exercises control. Company agents and contractors should not be allowed to exercise control over Company funds. Company funds must be used only for Company business purposes. You shall not use Company funds for any personal purpose. Every Company employee, agent and contractor must take reasonable steps to ensure that the Company receives good value for Company funds spent and must maintain accurate and timely records of each and every expenditure and report the same accurately and in a timely manner.

O. Maintaining-Managing Records & Public Disclosures

The Company's responsibilities to its stakeholders require that all transactions be fully and accurately recorded in the Company's books and records in compliance with all applicable laws. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Company policy and the law. Any willful material misrepresentation of and/or misinformation of the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate civil or criminal action under the relevant laws. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion.

Further, we make decisions based on information recorded at every level of the Company. Incomplete or inaccurate information may lead to poor decisions and negative consequences, for example:

- Improper recording of revenues and expenses leads to misrepresentation of the Company's financial position, and is illegal;
- Incomplete or inaccurate manufacturing documents could jeopardize the supply of a product and violate regulations.

***Q** Can I delay processing sales orders until the next period to help us attain our income targets in that period?*

A No. Sales orders received must be processed in accordance with standard operating procedures and the accounting standards. It is inappropriate to manipulate sales orders for processing during the next financial period.

***Q** As the year was coming to a close, a plant manager realized that his operation already had exceeded the profit target in its annual business plan. The plant manager asked Division Finance if he should hold any further income received that year off the books in order to get a head start on the next year.*

A "Don't even think about it!" he was told. All income and expenses must be recorded in the period they are actually realized.

We are also responsible under various laws to communicate effectively so that people are provided with full and accurate information in all material respects. To the extent that you are involved in the preparation of information for dissemination to the general public, authorities, Government etc you should be careful to ensure that the information / disclosures are full, fair, accurate, timely, understandable and are presented in a format that communicates the information effectively.

If you become aware of a materially inaccurate or misleading statement in a public communication, you should report it immediately to the Compliance Committee.

Q *It is December and there is money left in our annual budget. Is it acceptable to pre-pay for next year's activities using this year's budget?*

A No. Activities and payments must be matched to the same period. If an event occurs this year then payment should be recorded as taking place this year. If an activity is set for next year then the payment must be charged to the next year's budget and accounts.

Q *A sales order came in and will be confirmed two days after the books are closed. Is it acceptable to include unconfirmed sales in an earlier period?*

A No. The sale has not officially taken place until it is confirmed and the goods have been shipped. It is a misrepresentation to include unconfirmed sales in an earlier period.

If you know of violations by others, please note: You must report such instances, or you are in violation of the Code. Accurate records are everyone's responsibility. It's always a good idea to double-check them.

There may be certain records on legal hold. A legal hold suspends all document destruction procedures in order to preserve appropriate records under special circumstances, such as litigation or government investigations. Once you are intimated about legal hold on records for which you are responsible, you must preserve and protect the necessary records or supporting documents in accordance with instructions and must not destroy, alter or modify those under any circumstances. A legal hold remains effective until it is officially released in writing. If you are unsure whether a document has been placed under a legal hold, you should preserve and protect that document while you check with the appropriate Officer. e.g. Queries for documents relating to tax may be checked with the Taxation Department.

P. Absolute NO to Corruption / Fair Dealings on arms length basis

All employees, agents, contractors, dealers and distributors shall not either directly or indirectly make or receive payments or take or agree to take in currency, property or anything else of value including any commission, payments, share in profits or commission, loans, services to any Government official, third person, customer or potential customer or previous customer, firm, entity, individual, or company in seeking or for giving a favour in the course of conduct of business of Bayer in violation of any Statute or Regulation which has the objective of prevention of corruption of any nature whatsoever.

No employee shall directly or indirectly request, accept, offer or grant a personal advantage in connection with business activity – especially the negotiation, award or performance of contracts.

Employees may accept and offer nominal gifts which are customarily given and are of commemorative nature for special events. Socially acceptable gifts for festive occasions, including Diwali, New year, anniversary gifts, advertising and promotional material, are allowed provided they are of a reasonable amount. The nominal intrinsic value of the gifts that can be given / accepted on such occasions is limited to Rs. 1,500/-. The gifts can be categorised as per requirement, The gifts given on such occasions should preferably have the "Bayer Logo". The acceptance of gifts and receiving of gifts shall be under written information to your reporting Manager. The nature and cost of the gifts must always be accurately recorded in the Company's books and records.

Bayer is continuously in the public eye and is bound by applicable laws and statutes and ethical standards which impose a variety of obligations on the company and its employees. Bayer desires to preserve and promote its favorable image.

Q *I was told I have to pay a "gratuity" to a minor official to clear our products through customs. What should I do?*

A The Company does not provide gratuities to officials to ensure execution of official duties. Seek the advice of your manager or the Secretarial & Legal Department.

You shall never give, offer, or authorize the offer, directly or indirectly, of anything of value (such as money, goods or a service) to a customer or government official to obtain any improper advantage. A business courtesy, such as a gift, contribution or entertainment, should never be offered under circumstances that might create the appearance of an impropriety.

The ban on bribes applies to third parties acting on behalf of the company, including all contractors and consultants. Employees must not engage a contractor or consultant if the employee has reason to believe that the contractor or consultant may attempt to bribe a government official.

Q *Can we pay for a chemical analyst, involved in the approval process for new formulations, to attend a meeting? We won't be paying the regulatory agency that approves our formulations.*

A The laws and regulations governing such activities are complex and will vary depending on a variety of factors, including:

- Is the analyst a government employee?
- Is the analyst a decision-maker in the regulatory approval process?
- Is a Bayer formulation registration / approval pending?

Due to such complexities consult the Regulatory Affairs or the Secretarial & Legal Department, in advance. Generally, the answer would be no, but if the individual's attendance is for the greater public good, there may be situations that can be permitted if the expenses can be handled in an appropriate and legal manner. (Also see - Payments or Gifts from Others; under Head IV - C)

Q. Public Communications:

All communications with the news media are potentially important and reflect upon the Company's image and business. It is vital that communications from the Company are consistent and that all regulatory and legal obligations be fulfilled. All communications must be accurate, responsible and media or public requests for information should be referred to and coordinated with the Corporate Communications Department.

Q *I will make a presentation at a conference where press coverage is likely. How should I respond if I'm approached by the media following my presentation?*

A Journalists often approach executives who make presentations at professional forums. When press coverage is likely to result, Corporate Communications should be advised in advance and questions and answers should be prepared. But you should feel free to clarify for the reporter anything that was formally presented at the meeting. Questions that go beyond what was formally presented should be referred to Corporate Communications.

IV. RESPONSIBILITIES TO OUR CUSTOMERS AND OUR SUPPLIERS

Bayer seeks to outperform its competition fairly and honestly through superior quality / performance. You must, therefore, always keep the best interests of the Company's clients paramount and endeavour to deal fairly with suppliers, competitors, the public and one another. No one should take unfair advantage of anyone through manipulation, abuse of privileged information, misrepresentation of facts or any other unfair dealing practice.

You shall also ensure that all agents, contractors etc representing Bayer are made aware of our policies and this Code and adhere to it.

A. Products & Customer Relationships

As an inventor company, Bayer aims to help shape the future and come up with innovations that benefit mankind.

The market must be constantly observed to ensure that customers are handling our products safely. The principle of product stewardship demands that we assume a responsibility for products and for the entire product cycles. The purchaser of the product must be advised of any risks associated with its use, and every product must bear the necessary warning labels.

Q We are behind schedule and under a great deal of pressure. May we modify a few manufacturing steps to speed up production?

A While we strive to streamline manufacturing processes to make them as efficient as possible, we must always go through proper channels to receive approval for new techniques. Some steps may be required by government regulatory agencies. Others may be required to meet our own quality standards. It is possible that while the steps seem unnecessary, they could serve a critical quality function. Also some changes in processes may require approval from regulatory agencies. If you have further questions—or to make suggestions as to how a process might be improved—consult with your manager or the head of Quality Operations at your site before taking any action.

Quality means consistently satisfying our customers' requirements and expectations by delivering products and services of the highest value in a timely manner.

If your job puts you in contact with any Company customers or potential customers, it is critical for you to remember that you represent the Company to the people with whom you are dealing. Act in a manner that creates value for our customers and helps to build a relationship based upon trust. We all have provided products and services for many years and have built up significant goodwill over that time. This goodwill is one of our most valued assets and you must act to preserve and enhance our reputation.

B. Selecting Suppliers

Our suppliers make significant contributions to our success. To create an environment where our suppliers have an incentive to work with the Company, they must be confident that they will be treated lawfully and in an ethical manner. Suppliers shall be selected only on the basis of price, quality, reliability, technological standard, product suitability, existence of an enduring business relationship without disputes, ISO or ecological audit certification and the existence of a quality management system. In no circumstances shall personal relationships or interests be factors in awarding a contract. Advice or recommendations given by one Bayer employee to another must not be motivated by the prospect of a material or non-material advantage.

No employee shall directly or indirectly request, accept, offer or grant a personal advantage in connection with business activity – especially the negotiation, award or performance of contracts.

Q A Manager - Procurement received a diamond watch from a supplier who does a lot of business with the company. The Manager and the supplier are friends. The Manager graciously returned the watch, explaining that the company doesn't allow lavish gifts, and reported the incident to his supervisor.

A The employee made the right call. He knew that the watch could influence his buying decisions—or that it might appear that way to others.

Even the appearance of an irregularity must be avoided at all events. If such an offer is made to an employee, he or she must immediately report the matter to his or her supervisor. An employee's observation of such behaviour on the part of others never justifies a violation of these rules. When Bayer is bidding for a contract, any collusion with other possible bidders is strictly

prohibited. When Bayer issues a call for bids, the forwarding of information as to the identity of a bidder or the amount of his or her bid to another bidder or any other insider information is also prohibited.

It is imperative that employees demonstrate sensitivity to cost control. You must continue to be a cost-conscious. Materials and services must be procured in accordance with the most rigorous procurement standards laid down by the Company. It shall be the endeavour of all the employees to ensure that products and services of appropriate quality are procured at the best possible price.

Q *A long-time supplier has sent me flowers to commemorate my ten-year anniversary with the Company. Should I return the flowers to the supplier?*

A Returning the flowers may not only be impractical, but may also be embarrassing to the supplier. You may accept the flowers or, return them to the supplier if you feel uncomfortable about keeping them. If the supplier were to offer such gifts on a regular basis, politely advise them of Bayer's Code of Business Conduct.

It is advisable to inform suppliers well in advance about the strict enforcement of the Bayer Code, so as to avoid embarrassment at a later stage.

Q *How do we ensure that our agents comply with Bayer's standards?*

A It is the responsibility of the employee making the recommendation to find out and to ensure that the agent is reputable. At a minimum, this should include information obtained from other parties and multinational companies with whom the agent has worked in the past. This information should be reflected in the approval memorandum submitted to management.

C. Payments or Gifts from Others

Employees, agents or contractors shall not accept any offer, pay, promise to pay, or authorise to pay any money, gift, or anything of value to / from customers, vendors, consultants, etc that is perceived as intended, directly or indirectly, to influence any business decision or any act or failure to act, any commitment of fraud, or opportunity for the commission of any fraud.

Gifts and entertainment may create an inappropriate expectation or feeling of obligation. You should refrain from any act that has the appearance of being a bribe, kickback or other illegal or improper payment, whether direct or indirect, to any person or entity for the purpose of (i) obtaining, retaining or directing business or (ii) affecting the conditions of doing business. Moreover you must report any offer of a bribe, kickback or illegal payment that you receive or learn to your Manager or the Compliance Committee.

Never give, offer, or authorize the offer, directly or indirectly, of anything of value (such as money, goods or a service) to a customer or government official to obtain any improper advantage.

As part of building relationships, we may receive occasional gifts, provided that:

- Doing so is legal; and
- The gift is neither intended nor likely to be perceived by others to improperly influence our business decisions.

Employees may accept and offer nominal gifts which are customarily given and are of commemorative nature for special events. Socially acceptable gifts for occasions, such as Diwali, New year, anniversary gifts, advertising and promotional material, are allowed provided they are of a reasonable amount. The nominal intrinsic value of the gifts that can be given / accepted on such occasions is limited to Rs. 1,500/-. The gifts can be categorised as per requirement, The gifts given on such occasions should preferably have the "Bayer Logo". The acceptance of gifts

and receiving of gifts shall be under written information to your reporting Manager. The nature and cost of the gifts must always be accurately recorded in the Company's books and records.

You shall also require any person or firm who represents Bayer (such as a consultant, agent, sales representative, distributor or contractor) to comply with this Code.

D. Confidential Information of Others

The Company has many kinds of business relationships with many companies and individuals. Sometimes, they may volunteer confidential information about their products or business plans to induce the Company to enter into a business relationship or at other times, we may request that a third party provide confidential information to permit the Company to evaluate a potential business relationship with that party. Whatever the situation, we must take special care to handle the confidential information of others responsibly. We handle confidential information in accordance with our agreements with such third parties.

Confidential information may take many forms. An oral presentation about a company's product development plans may contain protected trade secrets. A customer list or employee list may be a protected trade secret.

Once a third party's confidential information has been disclosed to the Company,

- i. the information and all notes and reports prepared on the basis of such information it must be marked as confidential
- ii. its use must be limited for the specific purpose for which it was disclosed and
- iii. it should be disseminated only to others on a need to know basis.

You should also never attempt to obtain a competitor's confidential information by improper means and should especially never contact a competitor regarding their confidential information. While Bayer may, and does, employ former employees of competitors, we recognize and respect the obligations of those employees not to use or disclose the confidential information of their former employers.

Q *We have just hired an employee from a competitor. How much information is he allowed to volunteer about his former employer?*

A We must not allow the employee to volunteer, nor should we ask for, any non-public information about his former employer. Ask yourself if you would be comfortable if a former Bayer employee shared such information with a competitor. Additionally, there are legal implications relating to the disclosure of confidential information of other companies.

Q *After an important competitor held a meeting at a hotel, a hotel security guard offered a tape recording of the meeting to a company employee. The company employee wasn't sure what to do, so he took the tape to his manager.*

A The company employee should never have taken possession of the tape. It was wrong. No one listened to the tape, and the employee's manager promptly returned it. But even so, the competitor learned of the situation and brought a claim against the company.

E. Publications of Others

The Company subscribes to many publications that help you do your jobs better. These include newsletters, reference works, online reference services, magazines, books, and other digital and printed works. Copyright law generally protects these works, and their unauthorized copying and distribution constitute copyright infringement. You must first obtain the consent of the publisher of a publication before copying publications or significant parts of them. When in doubt about whether you may copy a publication, consult the Secretarial & Legal Department.

F. Relations with Government & Authorities

You shall fully comply with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of business conduct. The company will endeavor to be co-operative and open in its dealings with all authorities and government agencies. However, it must be remembered that certain agencies also have the task of detecting and punishing violations of applicable laws. Such procedures are subject to certain rules, one of which is that those affected have the right to seek legal counsel. Exercising this right or the “right to remain silent” is not an admission of guilt. In such cases, information should only be provided, or documents submitted, after consultation with the Secretarial & Legal department.

G. Free and Fair Competition

Bayer is totally committed to the principle of free competition and to ensuring that contracts with its business partners are entered into on fair terms. We expect others to show a similar commitment. Certain anti-competitive practices are illegal per se. Examples include: joint price fixing with competitors, agreements on market shares, agreements on production capacities, market divisions, and agreements to dictate or control a customer’s resale price or bids or the intent to bid. Any kind of concerted actions, informal talks or “gentlemen’s agreements” that are intended to restrict competition or may have the effect of doing so, are prohibited. Employees must not even give the appearance of being party to any such conspiracy. The consequences of not doing so can be severe for all of us.

Dominant market positions are by no means illegal in themselves provided they accrue from our own achievements, our own industrial property rights or – subject to antitrust examination – licensing agreements with third parties. Patents provide legally protected monopolies for certain periods of time. Dominant market positions must not, however, be abused.

We believe that customers and society as a whole benefit from fair, free and open markets. Therefore, we compete on the merits of our products and services, its qualities and do not make agreements with competitors to “fix” prices or to restrain trade. Managers must ensure that employees involved in marketing, sales and procurement are aware of the letter and spirit of the applicable competition laws.

You shall not knowingly make false or misleading statements regarding competitors or their products, customers or suppliers. Participating with competitors in a trade association or in a standards creation body is acceptable when the association has been properly established, has a legitimate purpose, and has limited its activities to that purpose.

***Q** I am attending a trade association meeting and several members are discussing pricing strategy. What should I do?*

A If issues such as pricing strategy are discussed among competitors, there is the possibility that price-fixing or collusion could occur or be perceived to have occurred. Legislations prohibit the discussion of pricing among competitors. If you find yourself in this situation, you must excuse yourself from the meeting immediately. Promptly inform the Secretarial & Legal Department of what you have observed.

V - WHEN YOU HAVE AN INTEGRITY CONCERN

One of the most important responsibilities each of us has as a Bayer employee is the obligation to raise a concern about a possible violation of this Code or any Bayer policy or law. Sometimes it may seem difficult to raise such a concern. Some of us may even feel it is a breach of personal

ethical standards to do so. If you experience that sense of conflict, it's important to remember the tremendous harm that can be caused by not raising a concern, including:

- Serious damage to the health, safety and well-being of yourself, your fellow employees, the company as a whole, our customers and the communities in which we operate
- The loss of confidence in Bayer – by customers, share owners, governments and employees
- Huge fines, damage awards and other financial penalties against the company; fines and/or prison sentences for individual employees

Those are the reasons why Bayer requires you not to remain silent when you have a concern. The point of raising a concern is not to get a friend in trouble, but to protect a colleague from potential harm

You are Bayer's first line of defence against unethical business practices and violations of the law. If you observe or become aware of any conduct that you believe is unethical or unlawful—whether by another employee, a consultant, supplier, client, or other third party—you must communicate that information to

- your supervisor OR Manager
- the Compliance Committee

Concealing improper conduct often compounds the problem and may delay or hamper responses that could prevent or mitigate actual damage.

The Procedural Guidelines in case of violations of this Code is attached as Annexure –A.

Transparency and Open Door Communication

Bayer encourages you to ask questions, voice concerns and make appropriate suggestions regarding our business practices.

Generally, your supervisor or manager will be in the best position to resolve the issue quickly.

- If after raising an integrity concern the issue is not resolved, raise it with one of the other contacts listed above.
- You can raise your concern in writing, and if you prefer, you can do it anonymously.

The whole idea is to speak up. Ask questions. Get answers. Bring the concern into the open so that problems can be resolved quickly and serious harm prevented.

If you prefer to report an allegation anonymously, you must provide enough information about the incident or situation to allow the Company to investigate properly.

Bayer encourages you to come forward and report your own misconduct or violations of any procedure, law or this Code without any fear of retribution. Your disclosure will enable us to take corrective action and prevent any further escalation. Reporting a violation does not exempt the employee who is also involved in the wrongdoing from penalty but such disclosure may be considered as an extenuating circumstance while taking the final decision / action.

VI. AMENDMENTS

The Board of Directors may amend, alter or terminate this Code as per requirements and regulatory framework in the interests of the Company. It is your responsibility to be familiar with the Code as it may be revised from time to time.

VII. DISCIPLINARY ACTIONS / CONSEQUENCES OF VIOLATING THE CODE

The matters covered in this Code of Business Conduct and Ethics are of the utmost importance to the Company, its stakeholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its values. We expect all of our employees, agents, contractors and consultants to adhere to these rules in carrying out their duties for the Company.

Every employee is called upon to review his or her own behavior in light of the above standards and to determine where improvements are possible. Every supervisor must organize his or her area of responsibility in such a way that reports of legal violations can always reach him or her. Problems must be actively addressed. However, supervisors also must take the initiative to regularly monitor their subordinates' activities and actively communicate with them.

If you are an employee or officer, this Code forms part of the terms and conditions of your employment with Bayer. All employees are expected to cooperate in internal investigations of allegations of violations of the Code, and actual violations may subject you to the full range of disciplinary action by the Company. The Company may also report certain activities to its regulators, which could give rise to regulatory or criminal investigations. The penalties for regulatory and criminal violations may include significant fines, permanent bar from employment in the securities industry and, for criminal violations, imprisonment.

Penalties for violations

Employees who violate the spirit or letter of Bayer's policies are subject to disciplinary action up to and including dismissal. The following are examples of conduct that may result in disciplinary action:

- Actions that violate this Code or any Bayer policy
- Requesting others to violate a Bayer policy
- Failure to promptly raise a known or suspected violation of a Bayer policy
- Failure to cooperate in investigations of possible violations of a Bayer policy
- Retaliation against another employee for reporting an integrity concern
- Failure to demonstrate the leadership and diligence needed to ensure compliance with Bayer policies and applicable laws.

Violation of a Bayer policy can also mean breaking the law, subjecting you or the company to criminal penalties (fines or jail sentences) or civil sanctions (damage awards or fines).

VIII. ACKNOWLEDGMENT OF RECEIPT AND UNDERSTANDING OF CODE OF BUSINESS CONDUCT AND ETHICS

All Managers, employees and trainees are required to sign and return this form to the Human Resources Department as an acknowledgement of receiving and understanding this Code. New appointments must return the signed acknowledgement within 30 days of joining. Failure to do so would not affect the applicability of this Code or any of its provisions to you.

A. Acknowledgement of the Bayer Code of Business Conduct for Employees.

I have received and read the Company's Code of Business Conduct and Ethics. I understand the standards and policies contained in the Company Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the Company Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the Company Code of Business Conduct and Ethics, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult the concerned Supervisor or Head of the Department or General Manager, of the concerned zone or HR Department or Legal Department , knowing that my questions or reports to these sources will be maintained in confidence.

When I have a concern about a possible violation of this Code or any law, policy etc I will raise the concern with Compliance Committee, or the Audit Committee.

Employee Name -

Department -

P. F. Number -

Employee Number -

Signature -

Date -

B. Acknowledgement of the Bayer Code of Business Conduct for Consultants / Agents.

I have received and read the Company's Code of Business Conduct and Ethics. I understand the standards and policies contained in the Company Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my assignment. I further agree to comply with the Company Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the Company Code of Business Conduct and Ethics, any Company policies, or the legal and regulatory requirements applicable to my assignment, I know I can consult the concerned General Manager of the concerned zone and the Legal Department, knowing that my questions or reports to these sources will be maintained in confidence.

Name -

Zone -

Location -

Signature -

Date -

Bayer CropScience Limited - Code of Business Conduct

Procedural Guidelines

The following questions and answers set out the procedures relevant to potential violations of the Code of Business Conduct. Recognizing that no set of guidelines can cover all circumstances, these guidelines may be varied as necessary in particular cases and may also be modified to conform to local law or contract. Nevertheless, it is our intent that these guidelines should be followed in most cases where a potential violation of the Code has occurred.

Reporting

Q *To whom should an employee report suspected violations of the Code?*

A You can report violations of the Code directly to

- i. your Manager or
- ii. General Manager – Internal Audit or General Counsel & Company Secretary
- iii. CFO (Ms. Christiane Kunze) who has been appointed as Compliance Officer by Bayer AG
- iv. to the Audit Committee via General Counsel & Company Secretary in sealed envelopes (kindly refer the Bayer CropScience – Whistle Blowing Policy)

Employees also may report violations, anonymously if they wish however proper details have to be provided.

Q *Will there be any retaliation for reporting a violation of the Code?*

A Absolutely not. You can report suspected violations of the code without fear of reprisal or retaliation.

Q *Can an employee report a suspected violation of the Code confidentially?*

A Yes, Every effort will be made to maintain in confidence the identity of the person making the report of a suspected Code violation

Q *What happens in cases where an employee deliberately makes any false allegation?*

A If an employee raises any concern in good faith that he/she believes to be true, but which following investigation proves to be unfounded, no action will be taken against such an employee. If, however, the investigation reveals that the employee has made a deliberately false allegation with the intention of discrediting a fellow employee, he/she will be investigated to determine whether disciplinary action should be taken against him/her. Such disciplinary action could (among other things) also result in dismissal from services.

Investigation

Q *Who should take the lead in investigating suspected Code violations?*

A The General Manager – Internal Audit is responsible for all preliminary Code of Conduct investigations. He may take help from other officials as per the requirement of the situations.

Q *Will the subject of the investigation receive notification of the investigation?*

A It depends on the circumstances and the results of the preliminary investigation. If there is insufficient evidence of a Code violation, the investigation may be closed without notification. In the event it is determined that evidence of a violation exists, the individual will be notified,

but that notification may not occur until after records have been reviewed and witnesses interviewed.

Q Will the subject of the investigation have an opportunity to respond to any allegations made against him or her?

A Yes, the subject of an investigation will have the opportunity to respond to any allegations made against that person.

Q Can a suspected violator be suspended while an investigation is ongoing?

A Yes, at the discretion of the Compliance Officer, a person suspected of violating the Code can be suspended with or without pay while an investigation is conducted.

Decision

Q Who makes the decision on whether a violation of the Code has occurred?

A A preliminary determination will be made by the General Manager – Internal Audit. That preliminary determination will be communicated to the Manager of the alleged violator. Sole authority for making a final determination that a violation has occurred rests with the Compliance Officer.

In case the matter has been referred to the Audit Committee, the decision taken by the Audit Committee will be final.

Q Can anyone make a recommendation on appropriate discipline?

A Yes, the General Manager – Internal Audit or the Compliance Officer can ask for recommendation on appropriate disciplinary actions that can be taken.

Q What factors will be considered in determining the appropriate punishment?

A The company uses a system of progressive discipline. The company strives to impose discipline for a Code violation after taking into account the gravity of the violation; the past service record and extenuating or aggravating circumstances.

Q What forms of discipline does the Company impose?

A The Company generally will issue warnings or letters of reprimand for less significant, first-time offences. Violations of a more serious nature may result in suspension without pay, demotion, loss or reduction of bonus or option awards or any combination. Termination of employment generally is reserved for theft or other violations amounting to a breach of trust, and for cases where a person has engaged in multiple violations.

Q Who makes the final decision on discipline?

A The final decision on appropriate discipline will be made by the Compliance Officer or the Audit Committee as the case may be.

Q Who communicates the final discipline decision?

A The Compliance Officer shall communicate the decision.

Reporting and recordkeeping

Q Does the General Manager – Internal Audit or the Audit Committee report the violation and discipline to anyone other than the violators?

A Yes, they will report their final decision to the Compliance Officer / Board of Directors. The Company may also be required to communicate violations to Government / Statutory / Governing Authorities.

Q *What documents concerning the violation will be maintained in an employee's personnel records?*

A A notation as to the final decision as well as any letters of reprimand or other communications with the violator will be placed in that employee's personnel file as part of his or her permanent record.