



Bayer CropScience Limited

Whistle Blowing Policy

FOREWORD

Dear Colleagues,

The Bayer Group of Companies in India has a tradition of conducting business based on high values, principles and beliefs. Our commitment is towards reaching the goals with utmost respect for human values and to serve the interests of Bayer with integrity. Good Corporate Governance entails that the interest of the employees, the shareholders and the society in general be protected at all times. The management realises that this is possible only if there exists an open and transparent culture wherein the concerns of the employees at all levels can be raised and expressed without fear of retribution. To achieve this objective, it is felt necessary to define a specific policy which will enable the employees to report their concerns, which would be looked into and if found to be appropriate will be fully investigated and acted upon.

The objective of the enclosed Policy is to explain and encourage the employees to raise any concern about Bayer's operations and working environment, including possible breaches of Bayer's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. Such concerns will always be treated fairly and the concerned employee will be suitably protected.

Should you require any clarification, you may kindly contact Head - Legal & Company Secretary or Head – Internal Audit.

A handwritten signature in black ink, appearing to read "Stephan Gerlich".

Stephan Gerlich
Managing Director

Mumbai, 22nd April, 2005



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INTRODUCTION AND BACKGROUND

The Bayer Group of Companies in India is committed to developing an open and transparent culture where it is safe for all employees to raise their concerns about any unacceptable and unethical practices, including misconduct. This Policy aims at providing a framework to promote such a culture.

The Policy is, therefore, intended to help the employees who have major concerns over any wrongdoings within Bayer Group of Companies in India relating to unhealthy practices/unethical conduct/financial malpractices which have an adverse impact on the Company's image. Specific examples will include:

- Criminal offences (corporate fraud, corruption, bribery or theft), which has been or is likely to be committed.
- Unethical business conduct and serious irregularities, regulatory or financial.
- Conflict of business interests.
- Misuse of Company assets
- Misuse of authority
- Wilful suppression of facts
- Funds being used in any unauthorised manner.
- Mis-statement in the Company's financial records which include time sheets, sales records and expense reports and distorting the true nature of the transaction.
- Falsification of transactions/documents.
- Miscarriage of justice or any injustice which has been or is likely to be done.
- Health or safety of any individual/employee is likely to be endangered.
- Discrimination occurring to any member of the staff such as favouritism, communal bias, sexual harassment etc.
- Actions exceeding the authority so granted in the day to day course of business.
- Any other form of improper action or conduct.



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WHAT IS WHISTLE BLOWING?

Whistle Blowing is an act whereby any employee of Bayer CropScience Limited comes to a decision to express a concern over which he has genuine doubt and which is raised in good faith.

AIM OF THE WHISTLE BLOWING POLICY

The Policy aims at:

- Encouraging the employees to feel confident in raising serious concerns.
- Providing ways for the employees to raise their concerns and get feedback on the concerns raised by them.
- Ensuring that the employees get a response to their concerns.
- Reassuring the employees that if the concerns are raised in good faith, they will be protected from victimisation.
- Initiating action, where necessary, to set right the concern raised.
- Ensuring that the Policy is not abused.

COVERAGE OF THE POLICY

All employees of Bayer CropScience Limited are covered by this Policy.

GUIDING PRINCIPLES AND ASSURANCE

Any employee of Bayer CropScience Limited who raises in good faith a concern on the type of incidences as described above, including but not limited to compensation or



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terms and conditions of employment, will be protected from threat of retribution, victimisation, discharge or discrimination, including unjustified transfer.

DELIBERATE FALSE REPORTING

If an employee raises any concern in good faith that he/she believes to be true, but which upon 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 termination of employment.

HOW SHOULD THE EMPLOYEE RAISE THE CONCERN

The employee can approach the Audit Committee directly to report any such concern (details of Audit Committee members given hereunder) or forward a sealed envelope marked “For Audit Committee – Whistle Blowing Policy” to the Head - Legal & Company Secretary, who will then forward these sealed envelopes to the Audit Committee. However, employment related grievances which are of a personal nature may be redirected by the Audit Committee to the Head of Human Resources to look into the grievance and report his/her findings/action taken to address such concerns to the Audit Committee.

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DETAILS OF AUDIT COMMITTEE MEMBERS:

Sr. No.	Name of Member	Tel. Nos.	Fax No.	Address
1.	Mr. S. M. Kulkarni Chairman	022-24220353	022-24327014	161A Twin Towers, Veer Savarkar Marg, Prabhadevi, Mumbai 400025.
2.	Mr. Y. H. Malegam	022- 22641067	022- 22613361	S.B. Billimoria & Co. Meher Chambers, II Floor, R. Kamani Marg, Ballard Estate, Mumbai 400038.
3.	Mr. A. K. R. Nedungadi	080 -22214094	080-2293344	UB Group of Companies, Le Parc Richmonde, 51 Richmond Road, Bangalore 560025.

Employees having any concerns are also encouraged to raise their concerns initially through the management channels by whatever route the employee may choose to raise his or her concern. The identity of the employee will be kept confidential if asked to do so and will be disclosed only if it becomes necessary for investigation purposes or in certain circumstances where it is legally required to be so disclosed. Employees can also raise their concerns anonymously. The concerns may be raised verbally or in writing. The employee raising the concern is expected to give the background and history of his



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concern and the reason why he/she is particularly concerned about the circumstances. Factual data should be provided to the extent possible.

HOW THE AUDIT COMMITTEE WILL REACT

The Audit Committee will take effective steps to respond to any concern that has been reported and will inform the concerned employee of the outcome. In cases where a detailed investigation needs to be conducted, the Audit Committee may direct such investigation to be conducted, if necessary, by an independent external agency. In some cases, there may be an overriding legal obligation to investigate certain types of issues, especially those related to environment and safety and corporate financial fraud/irregularities. The Investigating Authority will give every chance to the concerned employee to present his/her case. The concern raised may be handled and treated by the Audit Committee in any of the following ways:

- By adopting procedures, especially with regard to dealing with certain types of complaints relating to accounting and internal controls.
- Through other relevant procedures/processes that are already in place.
- Internal investigation.
- Referring to external regulatory or law enforcement officials.
- Referring to external auditors or other investigators or firms, subject to the findings of an independent internal enquiry.
- Or a combination of the above.



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ACTION ARISING FROM THE INVESTIGATION

Based on the report of the Investigating Authority, the Audit Committee in consultation with the Managing Director will ensure that remedial action, where required, is taken in a timely manner dependent on the gravity of the misconduct. This action could result in any of the following:

- Suspension.
- Stoppage of increments/promotion.
- Dismissal.
- Any other action, legal or otherwise, including withholding/non-payment of employees dues, if the misconduct involves fraud, financial irregularities etc.

The employee raising the concern shall be given the necessary feedback on the concern so raised in a time bound manner unless prevented by legal constraints.

SAFEGUARDS FOR THE EMPLOYEES

The Audit Committee will ensure that no action will be taken against an employee who makes allegation/raises a concern in good faith, reasonably believing it to be true. The Audit Committee will also ensure that there is no harassment or victimisation against the employee who has raised a concern in good faith.

In case retaliation by a fellow employee including his immediate superior is brought to the attention of the Audit Committee, it will direct an investigation against such employee or superior and ensure that appropriate disciplinary action, as necessary is taken.