

Bayer CropScience Limited

Code of Conduct for Directors

Introduction & Philosophy

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

Sound principles of Corporate Governance are critical for obtaining and retaining the trust and respect of investors and other key stakeholders and interested parties - including employees, recruits, customers, suppliers, government officials and the people at large.

At the core of Corporate Governance is the role of the Board of Directors in overseeing how management serves the long-term interests of shareowners and other stakeholders. An active, informed, independent and involved Board is essential for ensuring Bayer's integrity, transparency and long-term strength.

It is felt that the Board has a special responsibility to lead in these standards. Directors need to be our most constructive critics and our wisest counsellors.

This Code of Conduct is prepared considering that the Company has been handed over by the various stakeholders in trust and the Board of Directors are the trustees of these stakeholders and owe a responsibility to ensure that the organisation is managed in a manner that protects and furthers the interest of our stakeholders. Adoption of this Code of Conduct will send a strong message regarding the importance of ethical behaviour at Bayer and the protection of investors' interests. This Code is also formulated in accordance with the requirements of Companies Act, 2013 and the Listing Agreement of the Stock Exchange, Mumbai as well as our own vision of good governance.

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Application

- The Code of Conduct applies to all Directors of Bayer CropScience Limited, including Alternate and Additional Directors.

General

- The Directors shall at all times exhibit high ethical standards of integrity, commitment, independence of thought and judgement and shall act in the best interest of the Company. They shall fulfil their fiduciary obligations towards all stakeholders.

Representation

- The Directors shall at all times represent the interest of the Company's stakeholders and try to enhance and maintain the reputation of the Company by ensuring compliance of all applicable laws, exercising their responsibilities in a *bona fide* manner and using the power of the office in the best interest of the Company.

Participation

- The Directors shall demonstrate their commitment to the Company by participating in Board and Committee Meetings through high levels of attendance. They shall prepare themselves for all meetings and shall make positive contributions to the discussions and the decision making process. The Directors shall devote sufficient time and attention to his professional obligations for informed and balance decision making.

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Conflict of Interest

- The Director shall endeavour to avoid having his or her private interests interfere, or appear to interfere, with the interests of the Company or his or her ability to perform his or her duties and responsibilities objectively and effectively.
- The Director shall avoid receiving, or permitting members of their immediate family to receive, improper personal benefits from the Company, including loans from or guarantees or obligations by the Company.
- The Director shall make full disclosure to the entire Board of any transaction or relationship that the Director reasonably expects could give rise to an actual or apparent conflict of interest with the Company and seek the Board's authorization to pursue such transaction or relationship.
- The Director is expected to avoid situation in which his/her personal interest could conflict with the interest of the Company. In the event, when any such conflict of interest arises in the course of the business, the same may be reported to the Board for their approval.
- The Director shall refrain from any action that would lead to loss of his independence.

Corporate Opportunities

- In carrying out their duties and responsibilities, Directors shall avoid making use of corporate opportunities for themselves, that are discovered through the use their position as Directors for direct or indirect personal gain or competing with the Company.
- If the Director reasonably believes that a contemplated transaction might be a corporate opportunity or a competitive transaction, the Director shall make full disclosure to the entire Board and seek its authorization to pursue such transaction.

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- The Director shall act objectively and constructively while exercising his duties and shall not allow any extraneous considerations that will vitiate his exercise of objective independent judgement while concurring in or dissenting from collective judgment of the Board in its decision making.

Share-ownership

- The Director shall not trade in the securities of the Company while having inside information concerning the Company until after that information has adequately been disseminated to the market.
- The Directors shall adhere to the provisions of Section 194 of the Companies Act, 2013 and accordingly shall not have any forward dealing in the securities of the Company.
- The Director will also comply with all reporting requirements of the Securities and Exchange Board of India, Stock Exchange and other statutory agencies and adhere to the Insider Trading code of the Company and Section 195 of the Companies Act, 2013.

Confidentiality

- The Directors shall maintain at all times the confidentiality of the information and the records of the Company and must not make use of or reveal such information or records except in the ordinary course of performance of their duties. This obligation applies not only during the Director's term, but thereafter as well.

Mutual Respect

- The Directors shall express their opinions, unencumbered, yet always with the goals of flexibility and compromise whenever achievable by remaining open to different viewpoints.

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- The Directors shall work with and respect the opinions of their peers and leave personal prejudices out of all Board and Committee discussions.

Obligations

- The Director shall not engage in conduct likely to bring discredit to the Company.
- The Director shall at all times comply with the spirit, as well as the letter of law and with the principles of this Code.
- The Director shall ensure that management is complying with applicable laws, rules and regulations.
- The Directors shall assist the Company in implementing the best corporate governance practices.
- In carrying out their obligations, the Directors shall endeavour to ensure that management is causing the Company's assets and resources to be used by the Company and its employees only for legitimate business purposes of the Company.

Encouraging the Reporting of Illegal or Unethical Behaviour

- The Directors shall endeavour to ensure that management is causing the Company to promote ethical behaviour and to encourage employees to report evidence of illegal or unethical behaviour to appropriate Company personnel.
- The Directors shall endeavour to ensure that the Company will not allow retaliation against any employee who makes a good faith report about a possible violation of the Company's Code of Business Conduct, policies or any legislation.

Media

- The Directors shall not in the context of the Company's business and practices make any comment to the media or press or make themselves available for interviews by the media without prior approval of the Board.

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- The Directors shall also ensure that any comments made by them to the media or press outside of the context of the Company's business and practices is attributed to them in their personal capacity and not in their capacity as Directors.

Specific Code applicable to Independent Directors:

Schedule IV of the Companies Act 2013 read with Section 149(8) has specified a Code to be adhered by Independent Directors. This relates to its Role and Functions, Duties and Separate Meetings. The details of which is given below:

Role & Functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing

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and where necessary recommend removal of executive directors, key managerial personnel and senior management;

(8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

Duties:

The independent directors shall—

(1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

(2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

(3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

(4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

(5) strive to attend the general meetings of the company;

(6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

(7) keep themselves well informed about the company and the external environment in which it operates;

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(8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;

(10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

(11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

Separate meetings:

(1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

(2) All the independent directors of the company shall strive to be present at such meeting;

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(3) The meeting shall:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Conclusion

The Directors of the Company have always shown high levels of professionalism. This Code will further enable the Directors to uphold the spirit of Corporate Governance and anchor the core values of business conduct, transparency and professionalism thus re-enforcing the status of the Company as a Responsible Corporate Citizen.

It is the responsibility of the director to become familiar with and understand this Code, seek further explanation and advice concerning the interpretation and requirements of this Code, as well as any situation which appears to be in conflict with the same. Directors may direct questions regarding the application or interpretation of these guidelines to the Company's Board.

Any waivers of or amendments to this Code may be made only by the Company's Board of Directors and will be disclosed promptly as required by applicable law. The Board of Directors shall determine appropriate actions to be taken in the event of violations of this Code.

Clause 49 of the Listing Agreement stipulates that all Board members shall affirm compliance with the Code on an annual basis and the annual report of the Company

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shall contain a declaration to this effect signed by the CEO. The annual declaration in the format given below may please be furnished.

Draft of the Acknowledgement

I, _____ hereby confirm that for the year ended _____, I have complied with the Bayer CropScience Limited, Code of Conduct for Directors, as adopted by the Board at its meeting held on May 30, 2014.

Signature -

Date -