

Corporate Governance Charter

This Corporate Governance Charter was adopted by the Board of Directors of Devgen NV in accordance with the Belgian Corporate Governance Code.
It was most recently updated on December 9, 2009.

Devgen NV

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INTRODUCTION

Devgen has adopted the Belgian Code on Corporate Governance of 2009 as its reference code.

It applies the principles laid down in said Code, as well as its provisions except as explained in this charter or in the corporate governance statement in its annual report.

The present charter describes the main aspects of Devgen's corporate governance in accordance with the 2009 Belgian Code on Corporate Governance, and supplements the corporate governance provisions in Belgian law and in Devgen's articles of association.

The Board of Directors will update this charter as often as needed to reflect the company's corporate governance.

The charter is available on the company's website (www.devgen.com) and can be obtained free of charge at the registered office of the company.

It is published in Dutch and English. In case of a discrepancy between these versions, the Dutch version shall prevail.

*For ease of reading persons in this document are referred to in the male form.
Such references are intended and should be interpreted as referring to both genders.*

1. PRESENTATION OF DEVGEN NV AND ITS GOVERNANCE STRUCTURE

1.1. *Devgen NV*

Devgen NV, incorporated in 1997, is a Belgian limited liability company (*naamloze vennootschap*) with registered office at Technologiepark 30, 9052 Zwijnaarde, Belgium.

Its shares are listed on Euronext Brussels since June 7, 2005 (ticker: DEVG).

It is the ultimate parent company of several subsidiaries, including Devgen Seeds and Crop Technology Pvt. Ltd. (India), Devgen Pte. Ltd. (Singapore), Devgen US Inc. (United States), Devgen Seeds and Crop Technology (Phils) Pte. Ltd. (Philippines) and Pt. Devgen Seeds and Crop Technology (Indonesia).

Devgen and its subsidiaries use advanced biotechnology and molecular breeding technology to make high yielding seeds and crop protection solutions with a superior environmental profile.

This technology is brought to the market in the world's major food and feed crops through two complementary strategies:

- Licensing Devgen technology for use in corn, cotton and soy and selected other crops in exchange for R&D funding, and milestone and royalty payments.
- Producing and selling its premium hybrid seeds in major field crops such as rice, sunflower, sorghum, and pearl millet, in the Indian subcontinent and S.E. Asia.

In its crop protection unit, Devgen has developed a novel nematicide, an agro-chemical product that protects crops from damage by parasitic nematodes.

More information is available on the company's website: www.devgen.com.

1.2. *Governance Structure*

The Board of Directors, appointed by the shareholders, has the power to perform all acts that are necessary or useful to accomplish the company's objectives, except for those that are by law reserved to the General Shareholders' Meeting.

The Board has set up an Audit Committee and a Nomination and Remuneration Committee. These advisory bodies advise the Board in specific matters, which they monitor closely. The final decision is taken by the Board.

The company's day-to-day management, including the supervision and coordination of the day-to-day management of the company's subsidiaries, has been delegated to the chief executive officer (hereafter: "CEO"), who is also managing director of the company.

The executive management (CEO and CFO) works in close consultation with senior managers, who head different departments or subsidiaries of the company.

The terms of reference of the Board, its committees and of the executive management are described further in this Charter.

2. BOARD OF DIRECTORS: TERMS OF REFERENCE

2.1. *Role and tasks of the Board of Directors*

The Board of Directors' role is to pursue the long-term success of the company by providing entrepreneurial leadership and enabling risks to be assessed and managed.

The Board of Directors has the following key tasks:

- decide on the company's strategy, values and policies
- take the necessary measures to ensure the integrity and timely disclosure of the company's financial statements and other information
- determine the structure, powers and duties of the executive management
- review the performance of the executive management
- determine the main features of the company's internal control and risk management systems, and review their implementation
- supervise the performance of the external auditor and the internal audit function

2.2. *Advisory committees within the Board*

The Board of Directors can set up specialized advisory committees within the Board to analyze specific issues and formulate recommendations to the Board on those matters. Such committees are advisory bodies only and the decision-making remains within the collegial responsibility of the Board of Directors.

The Board of Directors appoints the members and the Chairman of each committee and determines its terms of reference.

Currently there is an Audit Committee and a Nomination and Remuneration Committee. The terms of reference of these committees are set out in sections 3 and 4 below.

2.3. *Composition of the Board of Directors*

2.3.1. General

In accordance with article 18 of the articles of association the Board of Directors acts as a collective body and consists of at least five directors.

This charter adds that at least three directors should be independent in the sense of article 526ter of the Belgian Company Code and that at least half of the directors should be a non-executive director.

2.3.2. Selection criteria and nomination procedure for Board members

The Board should through its members have a broad experience at the policy-making level in business and science, as well finance and accounting expertise.

The Board regularly assesses the size and composition of the Board by evaluating the skills, knowledge and experience already present and those needed.

When the Board concludes that new members should be added to the Board, it draws up a desired profile with the selection criteria. These selection criteria relate to the contribution a candidate can make to the Board considering his expertise, experience, interests and willingness to invest time in the office of director of the company.

The Nomination and Remuneration Committee of the Board will identify and contact candidates, gather information about their curriculum vitae, positions held, independence etc., interview the candidates and make a recommendation to the Board.

When dealing with re-appointment, an individual evaluation of the director will be organized as per section 2.4 prior to taking a decision.

When the Board proposes the appointment of a director by the General Shareholders Meeting, it will specify the proposed term of the mandate, indicate whether the candidate satisfies the independence criteria and provide information on the candidate's professional qualifications and current positions, and such either in the invitations to the general shareholders meeting or on the company's website.

2.3.3. Chairman of the Board of Directors

The Board of Directors must appoint a Chairman amongst the non-executive directors. The Chairman should be appointed on the basis of his knowledge, skills, experience and mediation strength.

The Chairman of the Board and the CEO cannot be the same person.

The Chairman of the Board of Directors leads the Board. He establishes a close relationship with the CEO, providing support and advice, while fully respecting the executive responsibilities of the CEO.

The Chairman has the following tasks:

- set the agenda of the Board meetings in consultation with the CEO
- ensure that procedures relating to preparatory work, deliberations, passing of resolutions and implementation of decisions are properly followed
- ensure that all directors receive the same accurate, timely and clear information before the meetings and, where necessary, between meetings
- ensure that all directors can make a knowledgeable and informed contribution to the discussions of the Board of Directors and that there is sufficient time for consideration and discussion before decision-making.

2.4. ***Evaluation of the Board of Directors, its committees and members***

Every two years the Board of Directors will, under the lead of its Chairman, assess its size, composition, performance and those of its committees, as well as the contribution of each director.

The evaluation process has four objectives:

- assessing how the Board of Directors and its committees operate,
- checking that the important issues are suitably prepared and discussed,
- checking the Board's and committees' current composition against the desired composition and
- evaluating the actual contribution of each director's work, the director's presence at Board and committee meetings and his involvement in discussions and decision-making.

The Chairman can organize an individual meeting with each director to discuss these items, including the director's own performance and the performance of his colleague directors.

The conclusions resulting from these individual meetings will be submitted to the Board by Chairman.

An individual evaluation of each director will be conducted every 2 years as part of the global evaluation of the Board and each time the Board considers his nomination for re-appointment by the General Shareholders' Meeting.

The non-executive directors should assess their interaction with the executive management at least once a year. To this end they will meet at least once a year in the absence of the executive directors.

2.5. Company secretary

The Board of Directors appoints a company secretary to assist the Board. Individual directors have access to the company secretary.

The role of the company secretary is twofold:

- He will act as secretary of the Board. The company secretary will thus attend all meetings of the Board and draft and finalize the minutes of these meetings.
- The company secretary will also assist the Board in its compliance with the law, the articles of association and Devgen's own regulations, such as its corporate governance charter. The tasks of the company secretary in this regard are to give advice on matters of corporate governance and to raise existent and imminent discrepancies to the attention of the Board.

To fulfill this role the company secretary can seek the advice and assistance of the legal department.

2.6. Organization of meetings

At the beginning of each year, the Chairman schedules four regular Board meetings. Additional meetings of the Board may be convened whenever the company's interests so require or upon the request of two directors.

The Chairman sets the agenda of each Board meeting in consultation with the CEO. The agenda lists the topics to be discussed and specifies whether they are for information, for deliberation or for decision-making purposes.

While the articles of association allow meetings by means of telephone or video conference, as well as attendance and voting by proxy, face-to-face meetings are preferred and directors are expected to regularly attend Board meetings in person.

The company secretary attends all meetings of the Board of Directors and drafts minutes of each meeting which are submitted for approval at the following meeting. These minutes sum up the discussions of the Board of Directors and specify any decisions taken.

2.7. Confidentiality and conflict of interest

Directors cannot use the information obtained in their capacity as director for purposes other than to fulfill their duties as director and cannot disclose this information except if already in the public domain.

Supplementary to article 523 of the Belgian Company Code regarding conflicts of interest, the Board has adopted the following rules:

- Each director should arrange his or her personal and business affairs so as to avoid direct and indirect conflicts of interest with the company.
- Prior to his or her nomination, a director must inform the Board of Directors of any existing transactions or contracts between himself, or individuals, legal entities or organizations to which he is closely linked on the one hand, and Devgen NV or a subsidiary on the other hand (hereafter called 'Related Party Transactions').
- During his term of office, a director must inform the Chairman of the Board of any Related Party Transactions that he or individuals, legal entities or organizations to which he is closely linked, contemplate to enter into and such Related Party Transactions can only be entered into after approval by the Board, where applicable in accordance with article 523 of the Belgian Company Code.

3. AUDIT COMMITTEE: TERMS OF REFERENCE

The Board of Directors has set up an Audit Committee in accordance with article 526*bis* of the Belgian Company Code.

The composition, tasks and functioning of the Audit Committee are governed by said legal provision and the following terms of reference, determined by the Board of Directors.

3.1. *Composition*

The Audit Committee consists of at least three members, all non-executive directors. The majority of the members are independent directors in the sense of article 526*ter* of the Belgian Company Code and at least one member has the necessary accounting and auditing expertise to fulfill its role effectively.

The Chairman of the Board should not chair the Audit Committee.

3.2. *Meetings*

The Audit Committee shall meet at least four times a year.

The external auditors, the Chairman of the Board and any member of the Audit Committee may request an additional meeting whenever deemed necessary.

Directors who are not part of the Audit Committee, the CEO, the CFO, the external auditor, or other persons with relevant experience and expertise can attend meetings of the Audit Committee upon invitation of the committee.

The Audit Committee shall meet the external auditor(s) at least twice a year to discuss any issues arising from the audit process.

3.3. *Reporting to the Board of Directors*

The Audit Committee shall report regularly to the Board and at least when the Board establishes the financial statements, the half year results and other financial overviews intended for publication.

In its report the Board shall identify those matters that it considers to require action or improvement, and make recommendations as to the steps to be taken to this end.

3.4. *Tasks*

The Audit Committee has the following tasks:

3.4.1. Monitoring the financial reporting

- Review critical accounting policies and practices, and any changes in them
- Review interim and annual financial statements and determine whether they are complete and reflect appropriate accounting principles
- Pay particular attention the complex and unusual operations, litigation reserves, and other commitments and contingencies
- Review significant financial exposures in the area of treasury (such as currency risks, interest rate risks and derivatives)
- Review the annual report and consider whether the information is consistent about the company's operations
- Review the audit involvement in auditing the financial statements
- Review the financing of the company
- Review the going concern assumption

3.4.2. Monitoring internal control and risk management systems

- Review the effectiveness of the internal control and risk management systems established by management in identifying, assessing, managing, and disclosing financial and non-financial risks (including those relating to compliance with existing legislation and regulations).
- Adopt a code of conduct and ensure that arrangements are in place to make the code known to all employees and to monitor its compliance.
- Evaluate whether recommendations made by internal audit and external auditors have been implemented.

3.4.3. Monitoring the internal audit and its effectiveness

In view of the size of the company, there is no overall formal internal auditor.

The Audit Committee regularly evaluates

- the areas, systems and processes, either in Devgen NV or in the subsidiaries, to be subjected to an internal audit
- whether a particular internal audit task is to be assigned to an employee of the company, to the external auditor or to an external consultant, depending on the field and the expertise needed and
- the steps to be taken given the findings of the internal audit.

The Audit Committee makes recommendations to the Board in this regard. It also annually reviews the need for a formal internal auditor.

3.4.4. Monitoring the external audit of the statutory and consolidated financial statements, including the follow-up on any questions and recommendations made by the external auditor

- Review and discuss the terms of engagement, remuneration and independence of the statutory auditor
- Review the external auditor's scope and approach of their duties
- Review the performance of the external auditors and effectiveness of the audit process including letter of representations and summary of (un) adjusted audit differences
- Be the principal contact for statutory auditors if auditors discover irregularities.
- Make recommendations to the Board on the selection, appointment, reappointment, and resignation of the external auditor(s) based upon a thorough assessment of the external auditor(s)' functioning. This proposal should be submitted to the general assembly of shareholders for approval.

3.5. **Authority**

To fulfill its tasks, the Audit Committee is authorized to:

- seek any information that it requires from any employee of the company within its terms of reference
- have direct and unrestricted access to the representatives of the external auditor(s)
- meet with any relevant person of the company without any executive manager present
- obtain external professional advice at the company's expense whenever deemed necessary.

4. NOMINATION AND REMUNERATION COMMITTEE: TERMS OF REFERENCE

The Board of Directors has set up a Nomination and Remuneration Committee.

The composition, tasks and functioning of that committee are governed by the following terms of reference, determined by the Board of Directors.

4.1. *Composition*

The Nomination and Remuneration Committee consists of at least three members, all non-exclusive directors.

The majority of the members should be an independent director.

4.2. *Meetings*

4.2.1. Frequency and convening of meetings

At the beginning of each year, the Chairman of the Nomination and Remuneration Committee schedules at least three meetings. Additional unscheduled meetings may be convened by the Chairman of the committee when deemed necessary or upon the request of any committee member. If such request is not granted within 7 days, the committee member who made the request can convene a committee meeting.

The invitations mention the agenda and should be sent to the members at least one week prior to the meeting along with the information needed to prepare.

4.2.2. Conduct and attendance of meetings

The meetings of the committee are chaired by the Chairman and in his absence by another committee member.

The committee may invite any non-member to attend its meetings.

Meetings are held in person or via conference call, video conference or other communication means, provided that all members can communicate with each other.

Each member can give a power of attorney to another member to be represented at a meeting.

The CEO should participate in the meetings of the committee when it deals with the remuneration of other executive managers or senior managers.

When dealing with their own remuneration package, members should abstain from deliberations and recommendations.

4.2.3. Quorum and majority

The committee can only validly deliberate and adopt a recommendation on matters that are included in the agenda of the meeting if at least two of the members are present at the meeting. On matters that are not included on the agenda of the meeting, the meeting of the committee can only validly deliberate and resolve if all members of the committee are present or represented at the meeting and agree to deliberate and resolve on such matter.

All decisions within the committee require a simple majority of the votes. The Chairman of the committee has a casting vote in case votes are tied.

4.3. Reporting to the Board of Directors

The committee shall draft a report on its findings and recommendations for the Board after each meeting.

The members of the Board of Directors who are not member of the Nomination and Remuneration Committee have access to the working papers of the committee.

4.4. Tasks

4.4.1. Regarding nominations

The tasks of the Nomination and Remuneration Committee regarding nominations are:

- make recommendations to the Board with respect to the nomination of directors, the appointment of the CEO, and, taking into account the role and tasks delegated to the CEO in this regard, with respect to the appointment, dismissal and responsibilities of the CFO and senior managers
- assist the Board of Directors in the nomination and appointment procedures
- identify, contact and nominate candidates to fill vacancies
- advise on proposals for appointment originating from shareholders,
- properly consider issues related to succession planning,

The committee will consider proposals made by relevant parties, including executive management and shareholders. In particular, the CEO is entitled to submit proposals to the committee and the Board, and he should be consulted by the committee when it deals with issues related to the CFO and senior managers.

4.4.2. Regarding remuneration

The tasks of the Nomination and Remuneration Committee regarding remuneration are:

- make proposals to the Board on the remuneration policy for and the individual remuneration of directors, executive managers and senior managers, including bonuses, long-term incentives and arrangements in case of early termination
- make a recommendation to the Board regarding the objectives of the CEO and the grant and amount of a variable cash bonus depending on whether and to which extent the CEO satisfied the objectives of the previous year.

5. EXECUTIVE MANAGEMENT: TERMS OF REFERENCE

The Board of Directors has determined the following terms of reference for the executive management.

5.1. *Composition of the executive management*

The executive management consists of the CEO and the CFO, both appointed by the Board of Directors.

The executive management does not constitute an executive committee (*directiecomité / comité de direction*) within the meaning of article 524bis of the Belgian Company Code.

The agreements of the CEO and the CFO can be terminated by the Board in accordance with the contractual provisions.

5.2. *Duties, responsibilities and powers*

The Board has delegated the company's day-to-day management to the CEO, and if so requested by the Board, with the day-to-day management of any or all of the subsidiaries.

In this function, the CEO has the following general responsibilities:

- He is responsible vis-à-vis the Board of Directors for the business and operational management of the company and the implementation of the decisions of the Board within the strategy, planning, values and budgets determined by the Board;
- He supervises and oversees the different departments and divisions of the company as well as the subsidiaries and reports to the Board of Directors on their activities;
- He makes proposals to the remuneration and nomination committee and to the Board of Directors with respect to the executive and senior management of the company and its subsidiaries;
- He is responsible for the proposals for the Board relating to strategy, planning, finances and budgets, and such other matters that are to be dealt with at the level of the Board of Directors.

In exercising his role, the CEO has i.a. the following duties:

- he puts internal controls in place (i.e. systems to identify, assess, manage and monitor financial and other risks) without prejudice to the general monitoring role of the Board of Directors;
- he proposes the appointment and the remuneration process of the executive and senior management of the company and of the different subsidiaries to the Board of Directors;
- he is responsible and accountable vis-à-vis the Board of Directors of the company for the complete, timely, reliable and accurate preparation of the company's financial statements, in accordance with the accounting standards and policies of the company;
- he provides the Board with a balanced and understandable assessment of the company's financial situation;
- he provides the Board in due time with all information necessary for the Board to carry out its duties;

5.3. *Operation*

The CEO takes the final decision in the decisions of the executive management and in the proposals that the executive management submits to the Board of Directors.

The CEO informs the Chairman of the Board of any key decisions taken by the executive management, of the proposals which the executive management wants to submit to the decision of the Board. It is the task of the Chairman of the Board of Directors to convene Board meetings and to set their agenda in consultation with the CEO.

The CEO is accountable to the Board for the discharge of his responsibilities and those of the other executive and senior managers.

5.4. Evaluation

Each year the Board determines quantifiable and unquantifiable objectives for the CEO upon recommendation of the Nomination and Remuneration Committee and in common agreement with the CEO. The Board subsequently assesses which objectives were met.

The performance of the CFO is evaluated by the CEO based on previously determined objectives and reported to the Board of Directors.

5.5. Confidentiality and conflict of interest

Executive managers cannot use the information obtained in that capacity for purposes other than to carry out their duties and cannot disclose such information except if already in the public domain.

Regarding conflicts of interest, the executive managers have to comply with the following rules:

- Executive managers should arrange their personal affairs so as to avoid direct and indirect conflicts of interest with the company.
- In the event an executive manager directly or indirectly has an interest of proprietary nature that conflicts with a decision or transaction within its powers, he will inform the Chairman of the Board, and refer the matter to the Board for decision.
- Prior to his appointment, an executive manager must inform the Board of Directors of any existing transactions or contracts between himself, or individuals, legal entities or organizations to which he is closely linked, and Devgen NV or the company's subsidiaries on the other hand (hereafter called 'Related Party Transactions').
- During his term of office, an executive manager must inform the Chairman of the Board of any Related Party Transactions that he or individuals, legal entities or organizations to which he is closely linked, contemplate to enter into and such Related Party Transactions can only be entered into after approval by the Board, where applicable in accordance with Article 523 of the Belgian Company Code.

6. SHARES AND SHAREHOLDERS

6.1. *General meeting of shareholders meeting*

The ordinary general shareholders' meeting is held the first business day of June. Special or extraordinary general shareholders' meetings can be convened at any time.

In accordance with article 532 of the Belgian Company Code and article 34 of the articles of association the Board of Directors and the statutory auditor are obliged to convene a special or extraordinary shareholders meeting if one or more shareholders who represent, alone or together, one fifth of the share capital so demand.

A shareholder representing 5 % of the share capital can ask the Board to include items and proposals in the agenda for the General Shareholders' Meeting.

6.2. *Disclosure of major shareholdings*

In accordance with the transparency legislation, each natural person or legal entity acquiring or transferring shares or other financial instruments of the company must, within two business days, notify the company and the CBFA of the total number of voting financial instruments held, each time where as a result of the transaction the total number of voting financial instruments held after the transaction exceeds or falls below a threshold of 3%, 5%, 10% or 15% (or every subsequent multiple of 5%) of the total number of voting financial instruments of the company.

If the number of voting financial instruments held is equal to or in excess of 20 %, the notification must also contain a description of the policy in the framework of which the acquisition or transfer takes place, as well as how many voting financial instruments have been acquired over the last 12 months, and in which manner.

All persons acting individually must make the notification. It must also be made by affiliated persons or persons acting in concert with respect to the holding, acquisition or transfer of voting financial instruments.

Devgen's principal shareholders are listed on the company's website, along with a description of their voting rights, any special control rights, the key elements of any shareholders' agreements and any other relationship between the company and its major shareholders.

Said overview is based on the transparency declarations received by the company.

6.3. *Dealing code*

The Board of Directors of Devgen NV has adopted an insider dealing code with rules and procedures regarding inside information and dealing in financial instruments of Devgen NV.

Each director and staff member is given a copy of this dealing code and has to confirm that he will comply with the code.

In addition to the legal provisions the dealing code prohibits dealing in Devgen's financial instruments

- on considerations of a short term nature;
The sale of financial instruments within one month following the purchase as well as any repurchase within one month following a sale will be deemed to be dealing on short term considerations.
- during closed periods;
The period of one month before the release of annual or interim financial statements is a closed period. The company may announce other closed periods, if there is a risk

that persons dealing during such period could abuse or put themselves under suspicion of abusing inside information, such as for instance periods leading up to the announcement of important news.

Further more the dealing code obliges a person to seek to prevent dealing by or on behalf of persons closely connected to him during closed periods or when one has inside information.

The Board of Directors has also identified the so-called 'key insiders' or persons discharging managerial responsibilities in the sense of article 25 bis § 2 of the law of August 2, 2002. These key insiders as well as the persons closely related to them have to report any transaction in Devgen's financial instruments to the CBFA within 5 working days.

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