Minutes of the meeting of the Board of Directors of Syngenta AG

No.:	02/07
Date:	23-24 May 2007
Place:	Hotel Imperial, Vienna
Time:	23 May 2007: 13.30 h – 18.00 h 24 May 2007: 08.30 h – 15.00 h
Participants:	Board Members:

Martin Taylor, Peggy Bruzelius,
Peter Doyle, Rupert Gasser,
Pierre Landolt, Michael Pragnell,
Peter Thompson, Jacques Vincent,
Rolf Watter, Felix Weber, Jürg Witmer

Secretary:

Christoph Mäder

Part I of the meeting:

All Members of the Syngenta Executive Committee

Part II of the meeting:

Board performance review	P. Kilgour, Towers Perrin
Industry Update	G. Dyal G. Slimmon Goldman Sachs

Part I

Martin Taylor opened the meeting and welcomed the Board and SEC members.

1. **Chief Executive's Report**

INVESTOR RELATIONS AND SHARE PRICE PERFORMANCE

The CEO commented on the share price performance since the last Board meeting. The share price rallied before the 2006 Full Year Results announcement and then declined by 4 percent. An 8 percent rise in the share price in March, sparked by publication of the USDA Prospective Plantings survey projecting expansion of corn acreage, heightening expectations regarding Syngenta's 2007 performance. The share traded above CHF240 through April, reaching a new high of CHF246.6 on 16 April.

Although 2007 First Quarter Sales announced on 2 May were slightly ahead of consensus, the share price fell 4.3 percent on the day drifting down a further 3 percent the following week. This reflected concerns in relation to seeds margin outlook; inferred loss of corn seed market share; "Agrisure RW" regulatory approvals in Japan; and drought risk in Europe. The price recovered somewhat helped by USDA data projecting tightness of the crop supply/demand balance. It closed at CHF232 on May 22.

As of April this year Syngenta had been included in the FT Global 500 index ranking 465th, on the basis of market capitalisation.

COMPETITOR DEVELOPMENTS

Most competitors reported sales declines in 2006 with the notable exception of Monsanto whose second quarter fiscal 2007 (ending February) increased 19 percent on prior year due to high demand for stacked-trait corn as well as increased glyphosate sales. A full-year earnings upgrade was accompanied by a statement of aggressive market share expansion through 2010.

On 21 March BASF and Monsanto announced an R&D and Commercialisation Collaboration Agreement in Plant Biotechnology for yield and stress (drought) tolerance traits for corn, soybeans, cotton and canola with a joint budget of up to $1.5bn over 10 years.
Earlier in March BASF confirmed the adventitious presence of an unapproved trait (subsequently identified as Bayer's Liberty Link 604) in non-genetically modified ClearField CL131 rice seeds in the United States.

At the end of February DuPont announced that it would add over 400 new positions in Pioneer as part of the $100m reinvestment plan unveiled in late 2006 for the development time for new seed products, and that it would locate its first plant biotechnology research centre outside the US in Hyderabad, India. In April Pioneer submitted the "Optimum GAT" genetically modified soybean for European Union approval.

Dow AgroSciences announced in February that it was developing a "revolutionary" trait providing tolerance to "multiple classes of herbicides", which could be stacked with glyphosate tolerance traits and was being evaluated for use in six crops including corn, cotton and soybeans for launch in the Americas by 2011. The company also claimed to have identified a new family of herbicides which control weeds which are resistant to glyphosate.

EXTERNAL DEVELOPMENTS

USDA on 30 March released its annual survey of US growers' planting intentions for 2007, projecting a 16 percent increase in corn acreage to over 90m acres (the highest since 1944) and an 11 percent decrease in soybean acreage to 67m acres (the lowest since 1996). Corn growth was driven by rise in demand from ethanol producers, higher export sales, and prevailing high corn prices.

In the European Community cereals acreage was forecast to increase by just over 1 percent and oilseeds by 5 percent (sunflower acres however projected to fall by 8 percent). Drought was threatening crops across a number of countries in southern Europe, with Italy having declared a state of emergency in northern and central regions. The FAO had warned that wheat yields could be at risk from a new strain of wheat stem rust, which had spread from East Africa to Yemen and to which 80 per cent of all wheat varieties planted in Asia and Africa could be susceptible.

The EU Council of Ministers had by a majority decision upheld Hungary's ban on Monsanto's GM insect-resistant MON 810 corn. This was the second time that Environment Ministers had supported national bans of EU-approved GM crops, following a similar vote in favour of Austria earlier this year. The European Food Safety Authority had given safety clearance to Dow/DuPont's corn rootworm-resistant corn ("Herculex RW" in the US) for import and use in processed food and animal feed. But the Agriculture Council had failed to reach agreement on authorisation of Monsanto/KWS H7-1 glyphosate-resistant sugar beet which would now go to the EU Commission for final decision. The Commission had recently cleared three Bayer varieties of glufosinate-resistant oilseed rape. The Commission's mid-term review of EU biotechnology strategy called for more studies on the long-term effect of growing genetically modified crops and on the co-existence of GM and conventional crops.

In Brazil, the first biotech trait in corn, Liberty Link corn, had been approved in May.

On 20 February, EU environment ministers adopted the EU Commission's proposals for a strategy on sustainable pesticide use, calling for stronger coherence between this strategy and the EU Water Framework Directive. Separately the EU Parliament's Environment Committee had called for seven active ingredients (including glyphosate) to be added to eleven existing "priority hazardous substances" in the proposed Surface Water Directive, which would render them subject to phase-out or prohibition from release to water. EFSA, having acted on an EU Commission request to analyse 236 pesticide compounds, had indicated that a potential risk to consumers cannot be excluded as regards 144 of those compounds and that temporary maximum residue levels should be established for each.

Following the EU Heads of Government meeting in early March, a target was announced to reduce by 20 percent CO_2 emissions with a particular emphasis on substituting transportation fuel with biofuels. This was likely to be ratified as a legally binding target by the EU parliament; it was consistent with targets being enunciated in Washington. Politicians did not state, although it was well understood by their advisers, that these targets could only be achieved with advances in biotechnology.

On April 18, the CEO met the UK Secretary for State for DEFRA, David Miliband. In three keynote speeches this year he had put environmental management at the top of his agenda, demonstrating a grasp of the complexity of issues facing agriculture and its unique societal role rarely seen in political leader. He was likely to be highly influential in European and global debate and our objective was to position Syngenta as a credible advisor on future policy.

SEEDS

Following Board approval Syngenta's acquisition of a 49 percent equity stake in Sanbei Seed Co. Ltd, a leading Chinese corn seeds company headquartered in Longhua, Hebei Province, was announced on May 14. The transaction was subject to the required approvals from the Chinese authorities.

Project Ananas was proceeding within the approval agreed by the Board and signature of the acquisition agreement could take place in June.

The SEC had supported the commercialisation by Syngenta, under an existing licence from Monsanto, of "Roundup Ready" sugar beet, through limited launch in 2007 and full launch in 2008 for both the US and Canadian markets; sales were projected to reach over $40m by 2012.

Notwithstanding support from the US regulatory authorities for Syngenta's selling in the US, corn seed containing MIR 604 ("Agrisure RW") rootworm trait ahead of receiving import approval in Japan (expected to be obtained for single trait and stacks in December), launch had been the subject of negative commentary from US grower and grain trade associations and transporters in the US. Significant public relations and lobbying effort was deployed in relation to the political and regulatory processes in Japan, where the approval process was progressing well, as well as in the management of stakeholders in the US.

It was anticipated that the terms of US merger control clearance of Monsanto's acquisition of Delta & Pine Land would be announced imminently by the Department of Justice. Terms of the clearance were likely to leave intact those provisions of Syngenta's collaboration with D&PL under which the acquisition triggered a $50m payment by D&PL to Syngenta and allowed Syngenta non-exclusive access to the VIP gene for cotton.

Redacted - Privilege

The appointment of a Head of Diverse Field Crops, Serge Zybach, previously Managing Director for a division of DeLaRue International, in succession to Robert Berendes, was announced on 27 April, effective 1 May 2007.

CROP PROTECTION AND PROFESSIONAL PRODUCTS

The development of a new combination herbicide, "Halex GT" (mesotrione plus s-metolachlor plus glyphosate) for use on glyphosate-tolerant corn in the US in 2008, subject to EPA approval, was announced in April.

"Gramoxone" had been the target of negative coverage on Swiss TV on 26 April and 1 May and through criticism at the Annual General Meeting on 2 May. In addition, on 22 April Reuters carried an article reporting studies conducted by the Parkinson's Institute claimed to demonstrate links between pesticides, particularly Paraquat, and Parkinson's Disease. All relevant experimental data and epidemiological studies were to be reviewed and a risk assessment would be carried out to establish Syngenta's position on completion of this review. Paraquat had been implicated in a suicide by a contract worker at the Cartagena, Colombia, formulation plant and a high-profile suicide in the UK. A Steering Group under the leadership of John Atkin was managing the communications outreach activity in relation to "Gramoxone" particularly during the sensitive period leading to the EU interim review in 2008.

Monitoring of 128 US community water systems by Syngenta, over the period 2003-05 under an agreement with EPA following an interim re-registration for atrazine in 2003, had shown that the levels of the herbicide did not exceed EPA levels. However, lobbying at State level (most recently in Minnesota) was seeking State legislation of lower permissible levels of atrazine in the water table.
Internal Audit and KPMG were investigating a fraud case in Crop Protection in Bangladesh involving embezzlement over a four year period of around $400,000 via falsified expense claims; the final report was expected to be available by the end of the month.

Syngenta had entered into a Cooperation Agreement with Bayer and BASF on Generic Studies with Wild Birds and Mammals in support of registrations in the European Community, which were expected to give rise to annual savings of the order of $4m per year.

BUSINESS DEVELOPMENT

The announcement of the acquisition for $67m on a cash and debt free basis of the Fischer group was made on 29 March; the German merger control authority on 25 April cleared the acquisition and clearance was now awaited (expected June) from Kenya to enable the transaction to close. On March 15 the appointment of Jon Parr, formerly Head of Marketing, Strategy and Planning for Crop Protection in EAME, as Global Head of Flowers was also an.nounced.

The terms of sale to United Phosphorus Limited of a 70 percent stake in LongReach Plant Breeders in Australia, as the second stage in the restructuring agreed by the Board in November 2006, had been agreed in principle. The NPV @ 16% of the net payments was expected to be in the range AUD10m-AUD12.6m and Syngenta would have the right to sell its remaining 30% equity to UPL for AUD3m at the end of 2011.

Diversa Corporation and Celunol announced on 13 February an agreement to merge their respective businesses with the aim of creating a new leader in the cellulosic ethanol industry. Celunol would run the company and this was welcomed by Syngenta.

Syngenta jointly with the Syngenta Foundation was to invest $2.5m, over a 13 year period, in a BioCarbon Fund managed by the World Bank. The Fund will support programs which sequester carbon through the use of better agricultural and land-use practices. In parallel an internal task force was being assembled to measure and define the carbon footprint of Syngenta's activities including toll manufacture, to develop Syngenta's contribution to the climate change debate.

FDA approval for the corn amylase trait was expected 2007, the Science Review Team within FDA having provided its clearance.

Negotiations were in progress with the Queensland government, the University of Queensland, and a sugar research institute, with regard to a potential collaboration in cane (biomass) transformation.

The SEC had supported making a non-binding offer, not exceeding $80m, by Lawn & Garden for Tallinn, a privately-owned German growing media business with access to peat reserves in Canada, Estonia and Germany and 2006 sales of $82m, to allow "due diligence" to be carried out; the acquisition would allow expansion of Fafard's footprint in NAFTA as well as an entry into Europe.

RESEARCH AND DEVELOPMENT

A series of events were being held in June and July at SBI, Jealott's Hill and Stein under the banner "Syngenta Science Live 2007"; the initiative was designed to promote a high level of awareness of the R&D contribution to business strategies and to ensure that individuals understand their rôle in delivery.

Syngenta was to enter in a collaboration with Rohm & Haas on pre-harvest applications against heat and drought stress of 1-methylcyclopropene, a biopesticide blocking the action of the plant hormone ethylene, which R&H have already successfully commercialised in the US for post-harvest uses through their AgroFresh subsidiary.

The SEC had given directional support for a $42m investment in a restructuring program for the Jealott's Hill site designed to reduce the site's physical footprint with a 25 percent reduction in operating costs by 2010 while increasing output.

SITES/CAPITAL EXPENDITURE

The following expenditure proposals had been supported by the SEC since 7 February 2007:

High Throughput Formulation Robot	$ 8.6m
Demolition of Redundant Assets at Huddersfield	$11.0m
Seed Care Institute at Stein (overrun)	$ 1.6m
	$21.2m

The purchase for CHF8.1m of the Warteck property on the Rosental site was completed at the end of March.

Aceptances of Syngenta's tender offer had been received from minority shareholders representing 7.1 percent of the equity of Syngenta India Limited, facilitating delisting, at a price of 730 rupees per share (equivalent to $40m in total). Settlement was due by end May and the offer would need to remain open, at the price set through the reverse book-building process, for a further six months.

The SEC had reviewed and approved the integrity of the costs associated with the Operational Efficiency programme, approved by the Board in February. This and its accounting treatment would be presented to the Audit Committee in July for review.

HUMAN RESOURCES AND HSE

The Injury Incident Rate for the Group in the First Quarter was 0.49, a 14 percent deterioration by comparison with the 2006 year end. The Monthey site was a significant contributor and actions were in hand to address this. Total moving vehicle incidents had also increased but incidents with injury were flat.

The potential environmental liabilities of Syngenta associated with industrial waste disposal sites in Switzerland and regional landfills in the Basel area had been the subject of media reports prior to the AGM. The SEC had reviewed a paper by Christoph Mäder; total liabilities were covered by provisions of around CHF120m (US$98m). The governance of environmental liabilities worldwide was being provided by the Provisions Committee and a newly-formed Environmental Liabilities Team.

The appointment of Paul Gibbons, previously Regional Security Manager for EAME, as Head of Corporate Security, was announced on 30 March.

The Global Leadership Conference from 6-8 November 2007 would take place in Berlin.

On 8 May a new Corporate Affairs department, headed by Jonathan Seabrook, was announced; reporting to Jonathan Seabrook were the Heads of Corporate Communications, Investor Relations and Public & Government Affairs. The SEC had reviewed a first proposal for a more systematic approach to reputation management. A proposed revision to the governance structure for Corporate Responsibility in order to establish a clear separation of duties between executive management and the oversight rôle of a proposed Board Committee would follow.

LITIGATION

An update of all major litigation cases had been distributed in advance of the meeting (Appendix 1).

2. **Mid-year review incl. LE for 2007**

Domenico Scala, John Atkin, Mike Mack and Robert Berendes presented the reports as attached in Appendix 2.

Overall, April YTD sales rose 5 % CER. In CP (incl. PP) sales were up 4 % thanks primarily to a strong performance in LATAM and Eastern Europe. NAFTA was affected by a late start of US corn planting. Seeds April YTD sales were up 5 % CER with Corn & Soybean sales up 2%. Corn sales more than offset lower soybean sales due to acreage shifts. Diverse Field crop sales rose 5% CER and Vegetables sales were up 21%.
April YTD EBITDA was up 5% CER and net income rose 10%. Gross profit margin was impacted by lower Seeds margins, stemming from an increased weighting of lower margin corn sales. Group EBITDA, however, was broadly maintained, with higher volumes and cost savings balancing lower Seeds pofitability.

LE1 forecasted sales growth of 7% CER, 2% ahead of budget, with a strong second half year outlook for LATAM. EBITDA and net income were forecast to grow by 13% CER and 15% respectively, with function expenses well controlled.

3. R+D Pipeline review

Dave Lawrence gave the presentation as attached in Appendix 3.

Significant progress had been made in all pipelines. Research was well underway to meet its three main challenges: (1) Moving the product launch dates forward, (2) increasing efficiency and engagement, and (3) aligning closer with the business to agree targets, portfolios and product design.

In CP, the development pipeline had been strengthened and the time from research to product launch shortened by 1 to 2 years. The research pipeline had been refreshed and was now fit for 1 new stage 2 project per year. Overall R+D cost efficiency had improved: The Goa chemistry research facility started to deliver and outsourcing of development activities increased the flexibility of research resources significantly. The CP pipeline contained new active ingredients projects (in late research or in development stages) with a potential of more than $1.2bn in sales. In addition, a rich portfolio of earlier research projects had been established, covering herbicides, fungicides and insecticides. In Seed Care, the research focus was on nematicides, modulators and bisamides as well as on further expansion of the existing Cruiser® and Avicta® franchises.

In Seeds and Biotechnology, the conversion of the product portfolio to proprietary corn traits as well as the development of next generation corn and soybean traits were on track. A significant portion of the Syngenta research investments continued to be shifted into these key areas. Good technical progress had been achieved in the enzymes area, with increased investment in cellulosic ethanols and with Diversa delivering many novel enzymes. The continuous strengthening of the germplasm base throughout the product lines remained high on the priority list. Resistance management and tailored innovations (e.g. fermentability, markers) were key features in the field crops research area. In cotton VipCot continued to show outstanding pest control performance. Projects on aroma, texture and consumer insights had been started in Vegetables. In the biofuels area, projects for sugarcane and corn had been identified as the most promising approaches in the long term.

The Board felt strongly reassured by the progress achieved.

4. Project 600

Mike Mack presented the proposal as attached in Appendix 4.

Mainly driven by biofuels demand, corn acreage had increased, and was expected to grow further. Industry capacity for seed production had been strained very significantly by this development. Syngenta lacked sufficient internal corn production capacity to meet its prospective 5-year demand. Gro Alliance, one of two key contract suppliers to Syngenta for several years, had decided to sell their business. Gro Alliance was a family owned business, servicing a total of 23 customers and operating a total of 5 quality corn and soybean plants for contract production in Iowa, Wisconsin, Indiana and Illinois. Grow Alliance's customers included both Monsanto and Syngenta as well as other independent seed companies.

The desired state for Syngenta would require an expansion of its currently available capacity from ~4m units to ~6m units by 2010.
Grow Alliance had been approached by Monsanto, but had chosen to negotiate with Syngenta. With Grow Alliance in the hands of a competitor, a large proportion of Syngenta's 6m units capacity would be threatened.

A non-binding offer was made in April 2007 to acquire Gro Alliance for $70m. Due diligence had been undertaken and was nearing completion. No material adverse findings had been uncovered or were expected apart from an adverse change-of-control impediment to the Monsanto contract which it was believed possible to overcome. Closing of the transaction was planned for end May 2007, subject to a satisfactory agreement. The transaction would include the corn and soybean production assets, approx. 75 employees as well as partner production agreements and contract supply agreements.

Approval was sought for the acquisition of 100% of the shares of Gro Alliance LLC and related production plants at a cost of approx. $70m, (with latitude of a further 10% or $7m). The NPV of the proposed transaction equalled $147m (discount rate 16%; IRR 44%; payback 3.5 years). The alternative of building new equivalent capacity was estimated at about $60m with broadly comparable per unit cost, but a one year delay and associated sales loss.

Decision: *The Board approved the acquisition of 100% of the shares of Gro Alliance and related production plants at a price of approx. $70m, with latitude of another 10% or $7m.*

Part II

5. Minutes of last meeting

Draft minutes of the Board meeting of 7 February 2007 had been distributed in advance of the meeting.

Decision: *The Board approved the minutes of the meeting of 7 February 2007, with the following amendments:*

The record of agenda item 7 (Dividend proposal/Share buyback) was changed as follows:

The second sentence of para 3 was replaced by the following wording:

"The Board asked that no more than $200m of Stock should be bought before the 2007 May Board meeting without directors being consulted."

6. Board Committees Update

6.1 Audit Committee

(no meeting held)

6.1 Compensation Committee

Felix Weber reported on the main topics discussed at the Compensation Committee meeting of 23 May 2007. The Committee had reviewed the stated preferences of Board members under the Syngenta Share Plan for non-executive Directors to receive a portion of the annual directors' fee in Syngenta shares. The Committee also accepted a proposal to change the 2007 budget base line relevant for the determination of the Seeds short term incentive pay-out by $35m due to unforeseeable changes in corn and soybean acreage, significantly increased airfreight costs and accounting changes. The Committee agreed the change particularly since certain Seeds executives had received no incentive in the previous year. The Committee had also suggested a review of the incentive plans overall, a detailed review to follow.

The report was noted by the Board.

The Compensation Committee also proposed to increase the annual base fee for Board members by CHF20'000.

Decision: *The Board supported the proposal to increase the annual base fee for Board members by CHF20'000. The change would be effective as from 1 January 2007.*

7. Other Business

7.1 De-Listing/De-Registering from US

Domenico Scala had submitted a memo to the Board, assessing the feasibility of and possible implications for Syngenta of deregistering and delisting from the New York Stock Exchange (NYSE) under newly adopted rules by the US Securities and Exchange Commission (SEC). The overall conclusion of the analysis was that, at present, it was not possible for Syngenta to deregister and by that, escaping the US reporting requirements since Syngenta did not meet the key tests to do so ("Trading volume test" and "300 holders test"). Furthermore, delisting was expected to lead to some forced seller, a reduction in the pool of available capital and could therefore create downward pressure on the share price.

Some Board members expressed some reservations about the analysis and proposed to explore the situation further. It was recommended to conduct a more independent review of the effects of a deregistering, thereby learning from the experience of other companies. It was also suggested that neither the significant US shareholder base nor US employee motivation nor reputational impacts should be seen as insurmountable hurdles, alsthough this view was not shared by all members.

Decision: *The Board supported a further review of the topic by management over the coming months, thereby focusing particularly on the analysis of other cases as well as on US institutional shareholder sentiment.*

(The Chairman closed the Day 1 session at 18.00h)

Day 2: Closed Board Session

8. Board performance review

Peter Kilgour of Towers Perrin summarized the key findings from the review process he had conducted since late November 2006. The review had involved interviews with each of the non-executive directors and a selection of senior executive managers including the SEC. It also involved a desk-top review of the Board and committee structure and terms of reference, which were found to be compliant and fit for purpose.

The key findings included:

- In general, the Board was working well and members respected each other
- Size of the Board as well as length and frequency of meetings deemed to be about right
- Some concerns raised about the nomination process not being rigorous enough going forward
- Board member skill mix deemed to be about right, concerns that future representation of "science" and sector expertise might be an issue
- More structured introduction briefings for new Board members seen as necessary to accelerate learning

- Continued shift of Board focus from compliance, governance and control to more strategic longer-term issues seemed key
- Some concerns raised on speed of decision making and delegation
- CEO assessment process seen as not working well
- Executives felt that they did not get as much value out of the Board as they could; perception is very much that of a "policing role" of the Board
- Executives would value more encouragement and strategic input
- Running of meetings by Chairman widely appreciated
- Some requests raised for more involvement in risk management
- Committees seen as working well; transparency of Chairman's Committee dealings appreciated.

In the discussion, the quality of analysis was well appreciated. It was felt that the review provided an excellent basis for a targeted development process to further improve the Board's ways of working. The importance of a dialogue between the Board and the Executives was emphasized. Presentations to the Board by Executives should be seen more as introduction to a more strategic discussion between Directors and Executives. Based on the record so far, the speed of decision making was not necessarily seen as a main problem at Board level; but a review of the rules of delegation of authorities was generally welcomed.

The Board thanked Peter Kilgour for his work.

9. Industry Update

Gordon Dyal and Guy Slimmon from Goldman Sachs joined the discussion of recent industry developments. The Chairman and the CEO reported on several high-level discussions initiated by the companies Dallas and Detroit, at which various possible constructs of cooperation had been touched on.

Decision: *The Board took note of the discussions. The Board would be promptly updated on new developments.*

10. Succession review

In a discussion amongst Board members only, the Board reviewed the status of the succession planning for the senior executive roles and discussed the succession to the position of the current CEO.

Decision: *The Board unanimously supported that Mike Mack, currently COO for the Seeds business, be offered the position of CEO with effect from 1 January 2008. Subject to Mike Mack's acceptance, a public announcement of the appointment was envisaged in the week of 11 June 2008. The decision on an-*

nouncement, as well as exact timing, was delegated to a sub-group of the Board consisting of the Chairman, Vice Chairman and CEO.

Martin Taylor thanked the Board members and closed the meeting at 15.00 hours.

The Board approved the minutes in its meeting of 25 July 2007.

Chairman:	Company Secretary:
Martin Taylor	Christoph Mäder