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Minutes **Secret**

Syngenta Executive Committee
Minutes of the SEC Meeting held on
Wednesday 4 and Thursday 5 June 2008

Present:	Mr M Mack	(in the Chair)
	Dr J C Atkin	
	Dr R Berendes	
	Dr D K Lawrence	
	Mr E C Mäder	(Minutes 70/08 to 77/08)
	Mr M Peacock	
	Mr D Pisk	
	Mr J Ramsay	
	Mr J D Sullivan	(Secretary)
In attendance:	Mr J Halliwell	(Minute 71/08)
	Ms J Gough	(Minute 72/08)
	Dr L L Smith	(Minute 75/08)
	Mr J Cox	(Minutes 76/08 and 77/08)
	Mr V Fischer	(Minute 76/08)
	Mr B Howison	(Minute 76/08)
	Mr T Dickinson	(Minute 76/08)
	Mr K Neuffer	(Minutes 76/08 and 78/08)
	Mr F Wagner	(Minute 76/08)
	Mr W Caesar (McKinsey)	(Minute 76/08)
	Mr O Horton (McKinsey)	(Minute 76/08)
	Mr P Berweger	(Minute 77/08)
	Mr A Klontzaris	(Minute 77/08)
	Mr S Holt	(Minute 79/08)
	Mr R Klaveano	(Minute 80/08(B))
	Mr J Parr	(Minute 80/08(B))

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Mr K Sirchio (by phone)	(Minute 80/08(B))
Mr J Cripps	(Minute 81/08)
Ms E Watson (by phone)	(Minute 81/08)

70/08 MINUTES AND MATTERS ARISING

The draft Minutes of the Meeting held on 7 and 8 May 2008 were approved with a correction to Minute 69/08.

- Minute 55/08, Mr Mack would discuss with Mr M Taylor in week commencing 9 June the implications for the content of Board Meeting agendas of the changes from 2009 to the planning cycle
- Minute 55/08, Mr Ramsay would meet the lead candidate for the position of Group Treasurer on 6 June to clarify issues which had arisen during the negotiation of certain elements of the compensation package for the position
- Minute 55/08, the presentation on the use of hurdle rates for acquisitions would be scheduled for the 3/4 September SEC Meeting and led by Mr P Berweger
- REDACTED: PRIVILEGED
- Minute 66/08, Dr Berendes underscored the need for a clear record of agreed actions from the Strategic Priority Workshops.

It was noted that Mr Mäder would need to be absent from the second day of the Meeting in order to attend the 2008 annual general meeting of SGCI Chemie Pharma Schweiz of which he would be appointed the new President.

71/08 FINANCIAL PERFORMANCE

Mr J Halliwell gave a presentation isolating the key issues emerging from the Results for the first four months and the provisional Sales figures for the month of May. In summary:

- the Crop Protection gross profit ratio in the year to the end of April had improved by 1.5% compared to the prior year, driven by both volume and price; in Seeds the gross profit ratio had increased by 0.3%, lower margins in NAFTA corn being offset by an otherwise favourable crop mix
- Net Income, excluding restructuring, in the first four months, at $1199m was 48% ahead of 2007, at constant exchange rates

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- Free Cash to the end of April showed a seasonal outflow of $607m, $171m higher than in 2007, EBITDA growth of $523m being absorbed by higher working capital and in particular receivables
- Headquarters expenses for the first four months were $2.6m above the prior year, a $1.1m increased spend in Human Resources arising from the funding of the people strategy; Mr S Holt would report to the July Meeting on progress against the 2008 priorities in the HR Transformation Plan, to include a proposal for e-recruitment; it was agreed that the estimated spend of $500,000 associated with this proposal would be within Mr Peacock's sanction authority
- Crop Protection and Professional Products sales in the month of May at $943m were 13% ahead of 2007 at constant exchange rates, Europe having seen strong fungicide sales and growth exceeding Budget in all Regions; in Seeds sales at $149m were 15% favourable to the prior year but 5% below Budget, advances in sunflower sales having been offset by weaker performance in EAME Vegetables and NAFTA Branded Fresh Produce
- delayed corn planting in NAFTA was predicted to cost $30m to $50m in herbicide sales principally from lower dose rates and reduced pre-emergence use
- an "Agrow" report on 3 June suggesting a significant reduction in the incidence of soybean rust in Brazil would be followed up
- the absence of any price improvement, in the year to the end of May, in relation to azoxystrobin, notwithstanding very substantial volume growth, was noted with concern; Crop Protection prices were anticipated to be firmer in the second half of the year and messaging to customers would be positioned accordingly; the targeting exercise to be initiated from July by Finance would also include target prices
- Group sales for the year to the end of May at $6328m were 21% above the prior year, at constant exchange rates, compared to 23% ahead of 2007 at the end of April
- the estimated Q2 Group CER sales variance from 2007 was 19%; for Crop Protection and Professional Products in LATAM the estimated variance was 36% compared to 64% in Q1, channel stocks being fully provided for on a Quarterly basis rather than at the end of the Year
- the milestones would be calendared in June for the preparation for the Half Year Results Announcement.

72/08 FINANCIAL IMPLICATIONS AND INVESTOR POSITIONING OF CP CAPITAL EXPANSION PLANS

Ms J Gough gave a presentation outlining the considerations to be assessed in relation to the communication to investors of the capital expansion plans for Crop Protection. The main points were:

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- the guidance to the market currently in place was for capital expenditure of at least $400m in 2008 continuing at higher levels in the next two years; frequent questions on capacity expansion and the future profile of capital expenditure were being received from investors; and momentum had been created by the announcement of significant investment plans by Monsanto
- it was proposed to communicate a $650m incremental capital expenditure program for Crop Protection capacity expansion over the period 2008 to 2010 to include total expenditure of the order of $500m in 2008 and the peak expansion spend in 2009
- the communication would be positioned in the context of confidence in the longer term market outlook; a market share growth target of +0.5% on the expanded production base; the quality of the capital expenditure program including an average payback period of 3.5 years; and the EPS accretive impact of the investment from 2010
- financial guidance would reiterate the 20% ROIC target in relation to the higher asset base; it should be anticipated that the communication would trigger questions from investors on financial resource constraints in 2008 for acquisitions and share repurchases.

The response was:

- it was agreed that the capacity expansion plans must be communicated as a mandatory shareholder disclosure and that the guidance to be given would refer to a figure equivalent to 95% of the estimated maximum spend
- overall co-ordination of the external as well as internal communication, to include taking into account ongoing negotiations with the UK tax authority, would be project managed by Mr J Seabrook
- the positioning of Seeds where analysts were already aware of a 2008 planned spend of the order of $200m suggested the communication might require to refer to an agribusiness investment in a larger market, rather than focusing exclusively on Crop Protection
- the response to questions on the impact of the program on share repurchases in 2009 would be that communication would take place only after the end of the current financial year and would be timed for February 2009
- the announcement must be finalised by the time of the July SEC Meeting.

73/08 <u>PROPOSED AMENDMENTS OF THE ARTICLES OF INCORPORATION AND ORGANISATIONAL REGULATIONS OF SYNGENTA AG</u>

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74/08 PROJECT ARGEN

Dr Atkin gave a presentation seeking support for a set of transactions with DuPont which would provide Syngenta with faster, less expensive and more certain access to second generation bisamide insecticide chemistry. The main points were:

- the transactions centred on a collaboration with DuPont to co-develop and market "Cyazapyr", DuPont's second generation bisamide, but included

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improvement of the profitability of "Rynaxapyr" and granted DuPont post-patent access to mesotrione in corn, soybean and sugarcane
- the benefits of the transactions for Syngenta would include approximately $60m savings in development costs and in capital expenditure for manufacturing; the profitability of the "Durivo" business would increase by 14% allowing access to new markets; and the total incremental NPV of the transactions was $130m
- DuPont would see savings in the development costs for its second generation bisamide as well as increased revenue and manufacturing efficiencies due to the larger volumes involved, and additionally would acquire access to mesotrione to exploit the "Optimum GAT" trait technology.

The response was:

- the entering into of the transactions was supported for submission to the Chairman's Committee on 12 June
- enhanced access to "Cyazapyr" straight product would be sought before the agreements were finalised, in particular to address the regulatory environment in certain territories which disfavoured mixture products.

75/08 PARAQUAT AND PARKINSON'S DISEASE

Dr Lawrence introduced a presentation by Dr L L Smith and Mr Sullivan, prepared at the request of Mr Sullivan, and describing actions to be taken to address claimed links in published literature between exposure to paraquat and the onset of Parkinson's Disease. The main points were:

- the molecular structure of paraquat was similar to that of MPTP which was converted in the human brain to MPP+ which was known to cause Parkinsonian symptoms; a range of dosing protocols had been used to show that paraquat caused neuronal cell loss in the brains of mice although at a rate of 30% after high doses compared to nearly 90% with MPTP
- several epidemiological studies had claimed an association between the use of pesticides and Parkinson's Disease and some had directly implicated paraquat; the results from the epidemiology studies with pesticides and the experimental data in mice had been interpreted to provide plausibility for the association between pesticides (including paraquat) and Parkinson's Disease
- it was intended to carry out a more detailed risk assessment on paraquat and Parkinson's Disease; to review and evaluate all published epidemiology studies and/or human evaluation studies; to establish the feasibility of Syngenta commissioning a case-control epidemiological study on the relationship between paraquat and Parkinson's Disease; to carry out studies to understand the mechanism through which paraquat was alleged to cause neuronal cell loss in the mouse brain, relate this to the effect of MPTP/MPP+ and use this understanding to establish whether there was a qualitative or

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quantitative difference between paraquat and MPTP/MPP+; and to carry out "challenge" studies to evaluate the specificity of the effect of paraquat compared to a range of chemicals and relate this to the effects seen with paraquat to other strains or species.

The response was:

- the program of action was supported, it being acknowledged that some elements would require the engagement of external collaborators
- it was noted that an additional study was intended to be carried out which would seek to investigate by reference to death certificates the incidence of Parkinson's Disease among a cohort of workers employed in paraquat manufacture at the former facility at Widnes in the UK; should this study be published an appropriate internal communication would require to be prepared.

76/08 STRATEGIC PRIORITY WORKSHOP: US CORN & SOY

Mr Mack introduced presentations by Mr K Neuffer and Mr V Fischer reviewing trends and scenarios for the US corn and soybeans market and the strategic implications for Syngenta; seeking agreement on the prioritisation of the key agribusiness levers; and discussing the concept and rationale of new Customer Interaction Models. The main points were:

- fundamental demand for corn and soy grain would continue to grow at 2% and 1% per annum respectively between 2007 and 2017, driven by global demand for food, feed and fuel; developing a winning strategy in these crops was critical for Syngenta to maintain a leadership position in agriculture inputs; inputs delivering yield improvements were expected to play a larger role than increased arable acres in meeting the forecasted demand levels and intensive competition between input providers based on yield enhancement was likely
- grower profitability and willingness to pay for yield-enhancing inputs would be highly impacted by market prices for grain, which in the case of corn would likely stay high relative to 10-year historical levels but should decrease from peak prices in 2008 as supply/demand equilibriums settled
- significant consolidation was predicted to take place among corn and soy growers in the US with the total number of farms expected to decrease by 52% by 2020 and the percentage of farms with over 500 acres expected to increase from 50% in 2007 to 72% in 2020; developing go-to-market models with large growers would be critical; discerning the yield impact of each incremental input would become increasingly difficult for growers who would rely to a greater extent on external advisers and influencers and for whom "solution support" would have progressively more pull

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- Syngenta could capture share with growers who used multiple brands to hedge yield risk but if a shift to a single brand became a trend, a portion of Syngenta's remaining share could be at risk
- the distributor/retail channel would continue to be the most important channel for crop protection and fertiliser inputs and would have an increasingly important role in corn seeds; farmer-dealers would decrease in importance as a channel, while agronomists and seed advisers would retain an important position in providing value-added and education-based sales
- among potential agribusiness levers the fact that some retailers would look for opportunities to increase their role in seed distribution indicated that Syngenta could work with them to help them grow their seeds business; simple marketing and sales levers alone would not create long-term competitive positions for Syngenta which would instead require technological yield benefits delivered by customised solutions including genetics, traits, crop protection and seed care inputs; in addition since Syngenta had deep knowledge across critical inputs it could contribute to playing the "advisory" role which appeared to be in demand from certain grower segments
- three potential Customer Interaction Models had been identified for evaluation, Integrated Retail Initiative, a unified go-to-market strategy of Seeds, Seed Care and Crop Protection tailored to needs of targeted retailers; Agronomist "Pull", using agronomists hired either in collaboration with retailers or independently to directly influence growers and drive Garst/Golden Harvest sales, to be used either as a "stand-alone" CIM or as a "bolt on" to the Integrated Retail Initiative, and Garst/Golden Harvest Push, driving Crop Protection sales in retail by leveraging the Garst/Golden Harvest relationship with seed adviser and farmer/dealer channels and driving Garst/Golden Harvest seed sales in seed adviser and farmer/dealer channels by leveraging the Crop Protection relationship with the retail channel.

The key issues raised by the discussion which followed were:

- a significant advance in high level thinking on a sub-set of the strategy for Corn & Soy had been achieved through the analysis but other questions including definition of the strategy for LATAM (concerning which Mr Fischer and Mr J Cox would meet with LATAM representatives on 31 July) and assessing the implications of the value equation as between Corn and Soy also required to be addressed with urgency
- an operational team would be launched for agreed initiatives in the U.S. while the existing group focused on strategic questions including the evolution of the industry structure
- the risks associated with implementing the Integrated Retail Initiative supplemented by Agronomist Pull appeared to be modest and progression of these CIMs was supported; the valuation of the opportunity assumed Syngenta could compete with Pioneer and/or Monsanto on an incremental 10.5m acres in five maturity zones but it appeared that by 2010 competition in seven of the eight zones would be possible and the 2-3% market share gain

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projected might be undercalled; either closer alignment or alternatively integration of the sales force would be required, ensuring at the same time retention of the current separate levels of expertise in Seeds and Crop Protection; the offers through the Garst and Golden Harvest channels must be maintained or improved in order to preserve the right balance and avoid alienation of those channels

- in relation to Garst/Golden Harvest Push the use of Seeds market share to grow Crop Protection sales was likely to prove extremely challenging; the use of Crop Protection to grow Seeds share had more attraction but presented medium risk in seeking to leverage existing Crop Protection relationships to reach the customer, which could disrupt those relationships; significant further evaluation of the viability of this CIM would be necessary
- a key assumption of the scenario modelling was that growers would become integrators of technical advice rather than integrators of product
- for Seed Care to compete through a technology umbrella model could be value deleterious to Syngenta
- there was as yet no product in the market which created the scope for a separate, differentiated offer, amylase appearing to present the only near-term prospect of such a product
- the analysis suggested a shift to a solution-based market with only two to three major players and a significant degree of commoditisation of solutions given the difficulty of maintaining technical differentiation
- the platforms themselves could be expected to drive and throw off a continuous stream of innovation which would be critical to competitive edge; in relation to GM technology significant step changes tended to take place at roughly five year intervals while innovation through marker technology normally occurred through small, frequent, compacted step changes
- the analysis of the value of driving market share gain in soybeans should be revisited; the data presented indicating that significant volume gain or identification of a distinctive technology solution would be crucial to the long-term viability of the business.

77/08 PROJECT OCEAN

Mr J Cox gave a presentation reporting on the status of the strategy to access market share in the independent sector of the U.S. corn seed market through strategic partnerships, acquisitions, and expansion of the Garst platform. The main points were:

- term sheets or final agreements were under negotiation with the three original targets for strategic partnerships to which one of the former acquisition targets had been added; the original targets would evaluate Syngenta products under material transfer agreements with a view to finalising the partnership agreements in November on completion of the product evaluation

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- the priority acquisition target, Atlantic, had since May 30 been in exclusive negotiations with another bidder and it was proposed to move the secondary targets, who together occupied a 0.5% share of the market, to the strategic partnership or Garst platform pillars
- of the 64 companies initially considered for Garst platform expansion 19 were in active discussions with Syngenta, 17 had yet to be approached and discussions had been discontinued with the remaining 28; good receptivity to the concept had been experienced but Syngenta product performance needed to be proven and an enhanced value offer required to be defined

The response was:

- it appeared that a more aggressive approach was called for in relation to acquisitions combined with taking a more realistic view of acquisition cost; the rapid growth rates of a number of the companies targeted for strategic partnership who together had a 2% market share suggested that they also should be considered for acquisition
- the relationship skills of the strategic partners must be retained and this should be taken into account in judging the pacing of assimilation to the Syngenta brand platform
- it was noted that any transaction structure alternative to acquisition which placed the target on the Syngenta germplasm platform would currently be captured by licensing through the Greenleaf Genetics joint venture from which only 50% of the value would be extracted by Syngenta.

78/08 STRATEGIC PRIORITY WORKSHOP UPDATE

Dr Berendes and Mr Mack introduced a presentation by Mr K Neuffer describing progress against the Strategic Priorities. The main points were:

- a team in NAFTA would develop the new "SmartSauce" Seed Care platform and an update would be provided in September
- the go-to-market strategy for Sugar Cane in Brazil would be finalised and a global strategy drafted
- following the presentation on Ag Scenarios to the May Board Meeting, electronic prediction market pilots had been launched; the SEC workshop would now take place in July
- an operational team would be established in the U.S. to progress the Integrated Retail Initiative/Agronomist "Pull" Customer Interaction Model in NAFTA Corn & Soy; the governance below the sub-SEC Steering Committee of this Strategic Priority was proposed to be split between an Operational Steering Committee comprising Mr J Cox, Mr V Fischer, Mr B Howison and Mr T Dickinson, and a Strategy Core Team to include Mr Neuffer and Mr F Wagner

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- the initial work on the Water innovation landscape indicated that the critical crops would be wheat and rice; the SEC workshop would take place in July; Ms S Favrel had been appointed as the new project lead for Emerging Markets and the SEC workshop previously scheduled for July would be moved to September.

The response was:

- an update on the Strategic Priorities would be scheduled for each SEC Meeting for the remainder of the year
- the outputs from the Ag Scenarios workshop in July should include specific identification of the commentary to be included in the Half Year Results Announcement
- the confidentiality of the content of the Board presentation on Ag Scenarios and in particular the "algorithm" framing Syngenta's views must be respected and shared within the Company only on a need-to-know basis
- the Ag Scenarios team should consider the impact of food price escalation on demand for feed
- it was noted that the recruitment of a new Strategy Manager for Seeds was close to completion.

79/08 SMG LONG-TERM INCENTIVE MODELLING

Reference Minute 68/08, Mr S Holt presented an analysis of the consequences of alternative methods of LTI grants by reference either to percentage of salary, as currently operated, or to a fixed number of restricted stock units or options. The main points were:

- the percentage of salary approach had the benefit of participant familiarity, ease of benchmarking and consistency with predominant market practice but resulted in the grant of lower numbers of RSUs or options as the share price moved upwards
- the grant of fixed numbers of RSUs enabled individual wealth creation as the share price increased but resulted in additional cost to the Company and would be more complex to manage
- it was recommended that LTI grants continue to be based on percentage of salary

The response was:

- the recommendation was agreed
- a recommendation would be brought to the September 3/4 SEC Meeting, with a view to submission of a proposal to the October Meeting of the Compensation Committee, with regard to the long term incentivisation of the SG/DG population

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- it was agreed that appointments to new SMG roles should be bunched into two groups, one in December (main discussion at the normal discussion for salary rounds) and another in June (supplemental discussion when the SEC discuss succession planning). The SEC can take up interim appointments on an exception basis only if needed. Appointments to existing roles would not require such approval.

80/08 SEEDS

(A) FOUNDATION

Mr Pisk gave a presentation seeking support for submission to the Chairman's Committee on 12 June of a request for supplementary sanction of $22m ($13m capital, $9m revenue) covering the increase in total project costs from $61m to $83m for the Seeds Foundation Program.

The proposal was supported. The BSC would on June 9 review the overall Seeds operational change agenda and approval for the total program would be sought at the July SEC Meeting.

(B) BRAND ARCHITECTURE

Mr Pisk introduced a presentation by Mr R.Klaveano reviewing progress of the Seeds Brand Architecture project. The main points were:

- the current brand architecture for Seeds was complex and unstructured, creating mixed messages and inconsistent links to Syngenta
- it was proposed to move towards a Syngenta branded house, building scale and efficiencies; all Syngenta Seeds brands excluding Dulcinea would be connected to the corporate brand and a flexible Corporate Brand Architecture Framework would be defined
- the intended architecture would result in simplification from 18 to 9 brands; validation had been completed for Flowers and research was being implemented for Diverse Field Crops, Corn & Soya and Vegetables
- in relation to Flowers the brand architecture foresaw collapsing the four main brands into one, Syngenta Flowers, and implementing a transition plan
- the overall brand architecture proposal for Seeds would be presented to the Seeds Leadership Team Meeting to be held from 16 to 18 June.

The response was:

- the team were congratulated on the progress which had been made and directional support was given for the proposals
- the Head of Global Trademarks would be consulted on the linking of the stylised words "flowers" 'vegetables" and "seeds" with the Syngenta

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corporate logo as well as the proposed linkage of the "Garst", "NK", "Golden Harvest", "Zeraim Gedera" and "Daehnfeldt" logos to the corporate logo

- the "Hilleshog" brand appeared to have continuing value and caution was encouraged with regard to transitioning away from this brand
- consideration should be given to the use of "Zeraim Gedera" and "Daehnfeldt" in "shared" rather than "endorsed" mode in relation to the corporate logo
- the proposed brand architecture for Crop Protection and Professional Products would be brought forward for approval in due course.

81/08 CORPORATE VENTURE CAPITAL: LSPB PERFORMANCE

Dr Berendes introduced a presentation by Mr J Cripps reviewing progress by LSPB with the investment portfolio as well as by Syngenta in CVC collaboration. The main points were:

- more active oversight by Syngenta of the LSPB investment process than expected had been required, which had been enabled by strong links operated between LSPB and Syngenta, providing Syngenta with an effective right of veto over investments
- LSPB had since 2006 made six investments, from 315 ventures reviewed, at a cost to date of $22.5m including management fees, another 4 to 9 investments being anticipated during the 5 year investment period of the 10 year fund
- the portfolio was spread broadly across the agreed investment scope, around 95% of the ventures reviewed being seen by Syngenta as in scope; Syngenta has entered into five collaborations in core and new businesses with companies identified through internal assessment of the deal flow and a number of further leads were under evaluation
- NAFTA CP New Ventures used LSPB and CVC broadly to provide visibility of a range of new technologies and engagement across the Syngenta organisation was provided by the CVC Virtual Team process
- within the next 12 months new secondees would require to be placed in LSPB; the early stage direct investment team contemplated by Unicorn would be launched alongside LSPB with a view to developing a productive relationship; and the CVC Virtual Team and corporate network would be evolved to leverage both LSPB and Unicorn.

The response was:

- the CVC activity through LSPB appeared to have been successful by comparison with CVC investment by Syngenta's competitors and Syngenta's own prior experience; however a significantly higher level of engagement was required to ensure closer alignment of the portfolio to the core investment scope and the role of the Syngenta secondees would be critical

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- Mr Cripps would schedule in agreement with Dr Atkin a focused presentation to the CPLT; CPLT and CP Regional Leadership Team members would be involved as appropriate in the CVC network within Syngenta
- the establishment of a follow-up fund was unlikely to be necessary; the existing fund would be leveraged fully in parallel with the undertaking of direct venture capital investments
- the transition involved in launching Unicorn would require careful management.

82/08 CAPITAL PROPOSALS

(A) PHYSICAL SCIENCES COMPRESSION AT JEALOTT'S HILL

Dr Lawrence presented a proposal for $9.7m capital to create a more efficient and interactive operating area for Research Chemistry, Formulation and Analytical Sciences at Jealott's Hill, including the accommodation of the T&P Process Studies group, comprising the second component in Phase 1 of the Transforming Jealott's Hill program approved by the SEC in April 2007. This could be achieved by maximising the utilisation of the newest building and the creation of a more open and innovative workplace, supported by a move away from dedicated spaces through the formation of shared innovation and instrument areas. The NPV of the proposal @ 16% excluding terminal value was negative $5.1m.

The proposal was supported.

(B) NAFTA BULK HERBICIDES

Mr Peacock presented a proposal for $13.7m capital for Phase 1 of a program to address demand for bulk liquid herbicides in NAFTA which was expected to grow from $672m in 2008 to $903m in 2012. The investment would expand and upgrade bulk herbicide storage capacity, and expand and improve rail car and tank truck handling infrastructure, at St Gabriel, Omaha and third party bulk terminal sites, to meet 2009 delivery volumes. The investment had an NPV @ 16% excluding terminal value of $177m, an IRR of 122%, and a discounted payback period of 2.3 years.

The proposal was supported.

(C) S :N 520

Reference Minutes 48/08 and 55/08, Mr Peacock gave a presentation seeking a further Planning Credit with respect to SYN 520. As a result of a finding in the chronic toxicity study which required further investigation, it was proposed to delay the full project sanction submission to the SEC and Chairman's Committee

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until September and to resource the project until then through the additional Planning Credit which would take the cumulative spend to $11m.

It was agreed that the project would be reviewed at the July 9/10 SEC Meeting to take into account additional data expected to become available in June and that pending this review the existing Planning Credit of $5.8m would not be increased.

(D) AZOXYSTROBIN EXPANSION AT GRANGEMOUTH

Reference Minute 62/08, Mr Peacock presented a proposal for a Planning Credit of $6.3m to progress the azoxystrobin expansion project at Grangemouth supported by the SEC on 7 May and by the Board on 22 May. The credit would allow funding of resources for a Front-End Engineering Package to define the project to a full approval-grade scope and estimate, which would be timed to meet the October Board Meeting, as well as early site work and procurement.

The proposal was supported. It was agreed that Mr Peacock together with Dr Atkin and Mr Ramsay would give consideration to the phasing of approvals for the capacity expansion projects. Mr Peacock would schedule a presentation to the July SEC Meeting providing an overview of the two major expansion projects.

(E) SABRIX INDIRECT TAX TOOL

Mr Ramsay presented a proposal for an investment of $5.6m ($2.9m capital and $2.7m revenue) to purchase and implement Sabrix software, which would form part of the Seeds Foundation kernel design, in order to provide a coherent global solution to the management of indirect taxes in Seeds. Future implementation in Crop Protection to enable a more centralised business-service approach to sales tax management would be reviewed separately at a later stage. The NPV of the proposal excluding terminal value was $7.3m and the undiscounted payback period was 2.7 years.

The proposal was supported.

83/08 ANY OTHER BUSINESS

- Mr Pisk gave a presentation requesting support for the sale of Syngenta's 17.89% shareholding in the French-based wheat and barley breeding company Secobra Recherches, at a total price of $4.4m, the strategic rationale for the original investment being no longer relevant.
  The proposal was supported for submission to the Chairman's Committee Meeting on 12 June
- Mr Pisk also sought approval for the divestiture to Agrisemen B.V. for $0.8m of the Herbs business of Daehnfeldt. Herbs were not part of the Seeds strategic portfolio and the profitability of the business, with an EBITDA ratio of

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less than 10%, was low. The purchaser had recently renegotiated certain provisions of the proposed transaction and in particular was requiring that Syngenta retain responsibility for production in 2009, which was estimated to have an impact of $75,000.
Approval was given to proceed with the divestiture including any adjustment to the price which resulted from the ongoing negotiations.

- Mr Ramsay presented a proposed timetable with regard to the Q1 2009 Trading Statement; it was agreed that the Statement would be released on 15 April and the preparatory milestones would be set accordingly
- REDACTED: PRIVILEGED
- Dr Berendes provided an update with respect to Project Louisiana. Syngenta had improved its non-binding offer from $225m to $244m; commercial, financial and legal due diligence would begin in week commencing 9 June; and discussions would then be initiated with Monsanto subject to waiver of confidentiality by the vendors; the submission of a binding offer would be conditional on the outcome of R&D due diligence in a second step. Preparation would be required for the communication to be made to Monsanto at the next scheduled meeting between Dr Berendes and his counterpart on 14 July
- Dr Berendes reported on the status of Project Gladstone. A letter of intent had been signed with due diligence expected to begin in the week of 23 June and, subject to the diligence findings, signing of an acquisition agreement would be targeted for late July
- Dr Berendes described the progress of Project Hamilton. Due diligence was foreseen to commence within the next two weeks and would focus on asset profitability, carve-out and relocation. Completion of the negotiation of the acquisition agreement was targeted for mid-August and integration planning would be accelerated to run in parallel with due diligence
- Mr Pisk referred to reports circulating at the World Seed Congress, which he had attended in Prague, that Monsanto had begun an internal selection process to appoint a new CEO
- Mr Ramsay said that an announcement was intended to be issued shortly of the appointment of Mr I Jensen as Integration Manager, reporting jointly to Dr Berendes and Mr Ramsay

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- Dr Atkin confirmed that the process to define the succession to the role of Regional Head for EAME in Crop Protection had been started
- REDACTED: PRIVILEGED
- a Syngenta logo together with a football symbol would be planted on the approach to Zurich airport, using Syngenta varieties of red cabbage and begonia, during the Euro 2008 football tournament
- Mr Peacock referred to a proposal, which he had circulated on 1 June, by Mr W Hussain, on bringing the Syngenta Leadership Model to life. The proposal envisaged shifting a number of the sub-capabilities in the Leadership Model and also the systematic application of the Model to recruitment processes. It was agreed that the proposed changes would be summarised concisely and put to the FED in June. Mr Peacock would also determine the extent to which the current leadership Model featured in material already in circulation
- the agendas for the Chairman's Committee Meeting on 12 June and the Board Meeting on 22 July were briefly discussed
- Mr Mack would circulate the draft 2009 Meetings calendar and requested that any comments be sent to him as soon as possible
- Mr Mack said that he had shared the SMG Succession Plans with the Board at its May Meeting. The comments received in response included that the paper output from the process was not of the right quality but the Board had also highlighted the issue of diversity; Mr Peacock would at the July SEC Meeting begin to frame the dialogue on this issue within the Talent Development and Succession Planning Review
- Dr Berendes would bring forward to the July SEC Meeting a proposal for CSR donations
- it was agreed that the draft Minutes of the SEC Meetings would continue to be circulated in paper form
- Dr Berendes would agree with Mr Mack the process for development of a review of the "Green Agenda" (including carbon footprint and organic farming) for the October Board Meeting
- a picnic would be organised on the weekend of 12/13 July for SEC members and their families
- Mr Mack reminded SEC members of the need for full compliance with the Securities Trading Policy.