



syngenta

# Syngenta AG

## Compensation Committee Charter

CLASSIFICATION: PUBLIC

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Abbreviations:

Board	Board of Directors
C&B	Compensation & Benefits
CC	Compensation Committee
CEO	Chief Executive Officer
Chairman	Chairman of the Board
Chairperson	Chairperson of the CC
Company	Syngenta
Head HR	Head Human Resources
HR	Human Resources
LTi	Long-Term Incentive Plan
SEC	Syngenta Executive Committee
Secretary	Secretary of the CC
WL	Work Level

## **I. Mission Statement**

The CC shall carry out the Board's overall responsibility for drawing up the executive compensation principles, strategy and policies covering the Chairman, the non-executive members of the Board, the CEO and the SEC.

## **II. Composition**

The CC shall consist of a minimum of 3 members of the Board and all of them shall be independent<sup>1</sup> Directors. The Chairman shall not be a member of the CC. All members of the CC will be elected by the General Meeting of Shareholders. The term of office shall end after completion of the next General Meeting of Shareholders. The Board elects the Chairperson of the CC.

In the event that there becomes a vacancy on the CC, the Board will elect a replacement member for the remaining period of office.

The Head HR or his/her delegate shall act as Secretary of the CC.

## **III. Meetings**

The CC will meet no less than 3 times per year, or upon the request of any of its members. Meetings can be held physically or by video-/teleconference. In urgent cases, the CC can take decisions by circular resolution.

The quorum shall be the actual number of elected CC members, minus one. In the event of a tied vote, the Chairperson has the deciding vote.

The Chairman and the CEO are standing guests, except when issues regarding their own positions are discussed. The CC may invite other members of management or external advisors to attend CC meetings or make presentations.

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<sup>1</sup>

"Independent" means a non-executive member of the Board who has not been a member of the SEC in the last 3 years and who has no material relationship to the Company or its affiliates and shall otherwise meet the independence requirement by applicable law, regulation and listing requirements. Further, the CC must not include any members with interlinked company mandates. An "interlink" exists if a CC member, who is jointly responsible for the compensation of a member of the Board or the SEC, is in another company subject to the directive power of such member of the Board or the SEC.

The Chairperson, together with the Secretary, shall prepare the meeting agenda in advance of each meeting. All members of the CC shall be advised of all agenda items and the relevant meeting papers to be covered at any meeting even if they are unable to attend. Minutes of the meetings of the CC shall cover in sufficient details the discussions at the meetings and shall be signed by the Chairperson and the Secretary and made available to all CC members.

#### **IV. Access to Company Information and External Consultants**

The CC is authorized by the Board to obtain compensation, legal or other professional advice from both inside and outside the Company as and when required, at the Company's expense, and to secure the attendance and advice of external consultants and advisors if deemed appropriate.

#### **V. Responsibilities**

The CC has the following responsibilities, which are further detailed in *Appendix 1* which is part of this Charter:

##### **a) Compensation system for the Chairman, the Board, the CEO and the SEC**

- Review and recommend to the Board the C&B principles, strategy and policies which define the compensation system.
- Define the elements and the structure of the compensation system which may include:
  - fixed compensation (base salary);
  - variable compensation (short-term incentive plans and long-term incentive plans);
  - benefits (including all insured benefits and pension/retirement plans).
- Ensure that the compensation system does not set any unintended incentives or contain any components that could run counter to their objectives.

**b) Compensation of the Chairman, the Board, the CEO and the SEC**

- Review and recommend to the Board on an annual basis a proposal for approval by the General Meeting of Shareholders regarding the total compensation of the Chairman, the Board, the CEO and the SEC.
- Within the budget approved by the General Meeting of Shareholders and in accordance with the Articles of Incorporation, set or amend the compensation package of the SEC.
- Within the budget approved by the General Meeting of Shareholders and in accordance with the Articles of Incorporation, prepare a proposal to the Board to set or amend the compensation package of the CEO.
- Demonstrate that the total compensation of the CEO and the SEC is appropriately linked to company performance and the executive's individual contribution.
- Ensure that any loss of compensation payments do not include any advance compensation<sup>2</sup>.

**c) Compensation of employees below the SEC**

- Approve loss of compensation payments of more than USD 250,000.

**d) Short-term incentive plan and performance assessment**

- Annually approve the framework of the short-term incentive plan for the SEC as recommended by the CEO.
- Annually approve the evaluation of the performance against objectives and the award percentage for the SEC as recommended by the CEO.
- Annually review and recommend to the Board the framework of the short-term incentive plan for the CEO.

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<sup>2</sup>

“Advance compensation” does not include any compensation paid to new members of the SEC for loss of compensation or disadvantages caused by their change of employment.

- Annually review and recommend to the Board the evaluation of performance against objectives and the award percentage for the CEO as recommended by the Chairman.

**e) Long-term incentive plans and performance assessment**

- Approve the establishment or amendment of any long-term incentive plans (over one year).
- Review and recommend to the Board any long-term incentive awards for the CEO as recommended by the Chairman
- Approve any long-term incentive awards for the SEC as recommended by the CEO.
- Set, monitor and assess any performance measures and performance targets under long-term incentive plans.

**f) Benefit plans**

- Approve the establishment or amendment of benefit plans over USD 5 million (projected cost impact over 5 years).
- Approve the scope and structure of extraordinary pension and insurance arrangements for the SEC.
- Review and recommend to the Board pension and insurance arrangements for the CEO.

**g) Employment contracts**

- The CC shall ensure that new contracts of employment for the CEO and the SEC:
  - do not contain unusually long notice periods or contract durations, save for exceptional situations (e.g. where such notice periods or contract durations are required to protect the Company and long-term sustainability of the business);
  - contain termination of employment or change of control provisions which consider market practice and protect the company's interest.

**h) Market reviews for the Chairman, the Board, the CEO and the SEC**

- Define the peer group of companies for benchmarking purposes.

- Review the overall market positioning of the compensation packages, including individual base salaries, short-term and long-term incentives including equity-based plans and benefits.

**i) Compensation Report**

- Prepare and recommend to the Board the Compensation Report for approval.

**j) Self-assessment**

- Prepare and present to the Board on an annual basis a self-assessment of its performance and effectiveness.

In carrying out its responsibilities the CC shall ensure that it aligns these responsibilities with the interests of the Company. The CC shall ensure that its decision-making is independent and avoids any conflict of interest with the Company. Any member having a conflict of interest shall not participate to that extent in the decision-making.

## **VI. Reporting**

The Chairperson shall:

- Make recommendations to the Board as detailed in Appendix 1.
- Periodically provide the Board with benchmarking data against peer groups of compensation levels for the Board, CEO and the SEC.
- Provide a summary to the Board of key decisions made by the CC after Committee meetings, as deemed appropriate.

The minutes of all CC meetings will be distributed to the full Board after approval by the Chairperson.

## **VII. Effective Date**

This Charter has been approved by the Board and becomes effective on January 1, 2017.

## **Appendix 1**

### **Delegations of authority for Syngenta compensation matters**

<b>Decision</b>	<b>Authority</b>
Compensation policy and general framework of systems for the Chairman, Board, CEO and SEC	Board approves based on recommendation by the CC
Set or amend the aggregate amount of total compensation of Board and SEC (1 and 2)	AGM approves based on recommendation by the Board
Approve Compensation Report	Board approves based on recommendation by the CC
Set or amend compensation of Chairman (1)	Board approves based on recommendation by the CC
Set or amend compensation of the Board (1)	Board approves based on recommendation by the CC
Set or amend compensation of the CEO (2)	Board approves based on recommendation by the CC
Set or amend compensation of the SEC (2)	CC approves based on recommendation by the CEO, normally after consultation with the Chairman of the Board
Set or amend compensation of senior managers WL 7-10	CEO approves; may delegate further authority for people whose salaries are less than USD 250,000 p.a.
Make loss of compensation payment of more than USD 250,000	CC approves based on recommendation by the CEO
Make loss of compensation payment of USD 250,000 or less	CEO approves based on recommendation of the hiring manager
Determine the structure of compensation plans applying to the SEC	CC approves based on recommendation by the CEO
Determine the structure of compensation plans applying to the senior managers WL 7-10	CEO approves based on recommendation by the Head HR
Establish or amend any long-term incentive plans	CC approves based on recommendation by the CEO
Set, monitor and assess any performance measures and performance targets under long-term incentive plans	CC approves based on recommendation by the CEO
Establish or amend benefit plans with a cost impact in excess of USD 5 million (projected cost impact over 5 years)	CC approves based on recommendation by the CEO
Establish or amend benefit plans with cost impact between USD 2 million and USD 5 million (projected cost impact over 5 years)	Global C&B Committee approves based on recommendation by the Head HR
Establish or amend benefit plans with cost impact below USD 2 million (projected cost impact over 5 years)	Head HR approves based on recommendation by the Head C&B

#### **Notes:**

- 1) Base fee, additional fees, share portion, benefits, other.
- 2) Base salary, short-term and long-term incentives including equity-based plans, benefits, pension, and insurance.

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The SYNGENTA Wordmark is a registered  
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The Syngenta logo consists of the word "syngenta" in a lowercase, sans-serif font. The letter "y" is blue, and the letter "n" is green. A small green leaf icon is positioned above the letter "n".