



syngenta

Syngenta AG

Regulations Governing the Internal Organization of Syngenta AG

CLASSIFICATION: PUBLIC

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Preamble

Based on articles 23 and 26 of the Articles of Incorporation, the Board of Directors issues the following Regulations Governing the Internal Organization (“Regulations”).

By these Regulations the Board of Directors defines the basic principles of the Company’s organization, duties, powers, and responsibilities in accordance with the law and the Articles of Incorporation.

These Regulations have been approved by the Board of Directors on 25 April 2017 and shall enter into force subject to and as of the date of the First Settlement after the Main Offer Period (the “**Effective Date**”) as defined in the transaction agreement between China National Chemical Corporation and China National Agrochemical Corporation on the one hand and the Company on the other hand dated as of 2 February 2016, (the “**Transaction Agreement**”), thereby replacing and superseding any previous versions of the Regulations.

A Certain Fundamental Principles

Article 1

- 1 The Company, together with its subsidiaries (together the “Syngenta Group”), aims to help the world’s growers to increase crop quality and yields through world-class science, a deep understanding of growers’ needs and continuous innovation.
- 2 The Company adheres to best in class governance standards and treats its customers, suppliers, employees and all other stakeholders in accordance with the standards and values laid down in the Syngenta Code of Conduct.
- 3 The Company shall continue to further develop its position as a global, culturally diverse and socially responsible employer of choice. As such, it offers rewarding roles under attractive terms, enabling it to attract and retain leading professionals in competitive markets on a global basis.

4 The corporate language within the Syngenta Group is English.

B The Company's Governance Bodies

Article 1a

The Company's governance bodies are the following:

- the Board of Directors (hereinafter referred to as “Board”);
- the Committee of Independent Directors (hereinafter referred to as “CID”);
- the Governance & Nomination Committee (hereinafter referred to as “GNC”);
- the Compensation Committee (hereinafter referred to as “CC”);
- the Audit Committee (hereinafter referred to as “AC”);
- the Corporate Responsibility Committee (hereinafter referred to as “CRC”);
- the Chairman of the Board (hereinafter referred to as “Chairman”);
- the Vice Chairman and lead Independent Director (hereinafter referred to as “Vice Chairman”);
- the Chief Executive Officer (hereinafter referred to as “CEO”);
- the Syngenta Executive Committee (hereinafter referred to as “SEC”).

C The Board of Directors (Board)

Article 2

- 1 The Board is the highest level of management in the Company, and exercises general supervision over the objectives and the conduct of business. It may issue any directives necessary for this purpose.
- 1^a It consists of up to 10 members; 4 of those members are elected by the shareholders upon a binding proposal of the CID, subject to Important Reasons as defined in the Transaction Agreement; these Board members are referred to herein as the “Independent Directors”.
- 1^b For purposes of these Regulations, a director shall be deemed to be independent if (a) he or she has no affiliation with China National Chemical Corporation or its affiliates other than his or her position as a member of the Board of the Company and if (b) he or she meets the independence criteria of the Swiss Code of Best Practice for Corporate Governance (hereinafter “Independent Director”).
- 2 The Board formulates the agenda for the General Meeting of Shareholders and submits an Annual Report to it.
- 3 The Board issues the instructions necessary for the implementation of General Meeting of Shareholders’ resolutions.
- 4 The Board constitutes itself by appointing from among its members the Vice Chairman of the Board, who must be an Independent Director and who will act as lead Independent Director, the members of the Board Committees (except as provided for in article 12) and the respective chairpersons, and the Board Secretary, who needs not be a Director.
- 5 In application of article 716b paragraph 1 of the Swiss Code of Obligations and article 25 paragraph 2 of the Articles of Incorporation, the Board delegates powers and duties to the Board Committees constituted in these Regulations and the respective organizational charters in accordance with the law, the Company’s Articles of Incorporation and the respective organizational charters.

- 6 In application of article 716b paragraph 1 of the Swiss Code of Obligations and article 26 of the Articles of Incorporation, the Board delegates to the CEO and the SEC the authority to manage the Company's operations subject to applicable law, the Articles of Incorporation and the Regulations.
- 7 The Board may, upon giving appropriate notice to the relevant governance body or individuals, to whom it has, directly or indirectly, delegated any of its powers and duties, re-assume responsibility for such powers and duties.

Article 3

- 1 The Board decides on all business of the Company assigned to it by law, in particular the Swiss Code of Obligations, the Articles of Incorporation, and the Regulations.
- 2 At the request of the Chairman, the Board approves:
 - the strategic direction and the strategic plans of the Company;
 - the budget and other financial targets, and decides on the financial means necessary to attain those targets;
 - the corporate policy: this includes financial, investment, personnel, and safety and environmental protection policies;
 - the structure of the accounting systems, financial controls, financial planning and other internal controls;
 - the principles of leadership and communication;
 - the essential features of the Company's organization;
 - the duties and responsibilities of the governance bodies of the Company;
 - the quarterly reports and the Annual Report for the Company;
 - the Company's entry into new spheres of activity and withdrawal from existing ones;
 - the choice of new or the closing of existing sites of fundamental significance;

- acquisitions and divestments of assets, companies or businesses, other financial measures and any other business in accordance with the financial authorization levels set out in Appendix 1;
 - the institution or settlement of legal proceedings in accordance with the financial authorization levels set out in Appendix 1;
 - the provision of any guarantee, surety or other security interest to any third party for existing or future debt and obligations of the Company in accordance with the financial authorization levels set out in Appendix 1;
 - any other business in accordance with Appendices 1 or 2.
- 3 Further, the Board:
- appoints, consistent with global best practices for a major international company, the CEO upon proposal by the GNC, the further members of the SEC and the Head Internal Audit; the Board may also order their removal from office;
 - designates those authorized to sign for the Company.

Article 4

- 1 The Board is kept informed by the CEO of all Company matters of fundamental significance.
- 2 The members of the Board enjoy the rights of information as laid down in article 715a of the Swiss Code of Obligations.

Article 5

- 1 The Board meets at the invitation of its Chairman as often as business requires, however not less than once per quarter. Any member of the Board may submit a written request that a meeting be convened.
- 2 Invitations to meetings of the Board are issued at least 5 working days in advance, as a rule.
- 3 The Chairman, after consultation with the CEO, determines the agenda for the meetings. The agenda is sent to the members of the Board together with the invitation.

- 4 Any member of the Board may request the inclusion of items of business in the agenda. Such requests must be submitted to the Chairman in writing at least 10 days before the date of the meeting.

Article 6

- 1 The Board is quorate when at least one half of the total number of its members is present in person. Subject to article 6a, the resolutions of the Board are adopted by a simple majority of the votes of the members present. In the event of equality of votes, the Chairman has the casting vote. Resolutions by means of a written circular or by video-/teleconference are permissible.
- 2 No representation of absent members of the Board is permissible.
- 3 Resolutions on items of business not on the agenda of a meeting require the affirmative vote of two-thirds of the members present at that meeting.
- 4 The Secretary of the Board takes minutes of the meetings of the Board and of any written resolutions.
- 5 For as long as the Company has shareholders who are not affiliated with China National Chemical Corporation, members of the Board are obliged to leave the meeting room or the video-/teleconference and abstain from deliberating or deciding on any matter that affects or reasonably might affect the interests of such member or of persons or entities closely related to such member. It is the responsibility of each member to inform the Chairman and the Secretary of the Board in case of a potential conflict of interest. The obligations set forth in this provision also apply to the work carried out in Board Committees.
- 6 Subject to article 19a paragraph 2, members of the Board may not reveal to third parties (other than China National Chemical Corporation) anything they learn of during the exercise of their duties. This obligation continues even after their terms of office have expired. Physical business documents must be returned, electronic files containing any business document must be deleted by the expiry of the term of office at the latest.

Article 6a

- 1 The following decisions require (apart from the majority requirement as per article 6) the consent of at least 2 of the Independent Directors:
 - Change of the location of the headquarters;
 - Raising new debt or making distributions which would lower the rating of the Syngenta Group to a level below investment grade (rating by Moody's and S&P);
 - Reduction of the R&D budget in any given year to a level below 80% of the average R&D spend/sales in the years 2012 – 2015;
 - Material change in the agricultural sustainability programs or a reduction of funding of the Syngenta Foundation for Sustainable Agriculture to a level below 80% of the average funding per year in 2012 – 2015;
 - material changes to Syngenta's HSE Policy and Standards as attached to the Transaction Agreement, except as required by mandatory law;
 - Material changes in the Company's Code of Conduct, except as required by mandatory law; and
 - Subject to article 26 of these Regulations, any change to article 2 paragraphs 1a and 1b, article 3 paragraph 3 (first bullet point), article 6a, article 10 (sentence 2), article 19a, article 19b and article 26 of these Regulations as well as to the requirements that (i) the Vice Chairman shall act as lead Independent Director and (ii) at least one member of each committee of the Board be an Independent Director as set out in scattered provisions of these Regulations.

Article 7

The members of the Board are listed in the Commercial Register. The signature powers of the members of the Board are resolved by the Board from time to time.

D The Governance & Nomination Committee (GNC)

Article 8

The GNC oversees corporate governance issues at Company level and supports the Board in the identification and selection of candidates for the Board and the CEO position. Further, it manages the Board's self-assessment process.

Article 9

- 1 The Board appoints the members of the GNC for a term of 1 year.
- 2 The GNC shall consist of the Chairman, who shall act as Chairperson of the GNC, and up to 3 non-executive members of the Board, including at least 1 Independent Director. The Group General Counsel or his/her delegate shall act as Secretary of the GNC.

Article 10

The responsibilities and the organization of the GNC are set forth in the GNC Charter, which is subject to approval by the Board. The GNC shall make proposals to the Committee of Independent Directors as to the election or removal of the Independent Directors. The shareholders can, however, only decide upon a proposal from the CID.

E The Compensation Committee (CC)

Article 11

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

Article 12

- 1 All members of the CC are appointed by the General Meeting of Shareholders upon proposal from the Board for a term of 1 year. Upon delisting of the Company and once the Articles of Association with respect to this election are changed, the CC shall be elected by the Board.
- 2 The CC shall consist of a minimum of 3 non-executive members of the Board, including at least 1 Independent Director. The Head HR or his/her delegate shall act as Secretary of the CC.

Article 13

The responsibilities and the organization of the CC in the area of compensation are set forth in the CC Charter, which is subject to approval by the Board.

F The Audit Committee (AC)

Article 14

The AC assists the Board in fulfilling its supervisory responsibilities with respect to accounting and financial reporting practices of the Company. It also recommends decisions on selected financial measures to the Board. The AC maintains effective working relationships with the Board, Syngenta's management and the internal and external auditors.

Article 15

- 1 The Board appoints the members of the AC for a term of 1 year.
- 2 The AC shall consist of at least 3 non-executive members of the Board including at least 1 Independent Director. The Board elects the Chairperson of the AC. The Group General Counsel or his/her delegate shall act as Secretary of the AC.
- 3 The AC as a team must have financial or auditing expertise to carry out its responsibilities.

Article 16

The responsibilities and the organization of the AC are set forth in the AC Charter, which is subject to approval by the Board.

G The Corporate Responsibility Committee (CRC)

Article 17

The CRC acts as custodian of the Board in corporate responsibility matters and exercises oversight over the SEC in this respect.

Article 18

- 1 The Board appoints the members of the CRC for a term of 1 year.
- 2 The CRC shall consist of the Chairman, at least 2 further non-executive members of the Board including at least 1 Independent Director, and the CEO. The Board appoints the Chairperson. The Group General Counsel or his/her delegate shall act as Secretary of the CRC.

Article 19

The responsibilities and the organization of the CRC are set forth in the CRC Charter, which is subject to approval by the Board.

H The Committee of Independent Directors (CID)

Article 19a

- 1 The CID approves any transactions between a member company of the Syngenta Group on the one hand and China National Chemical Corporation or any of its affiliates, other than member companies of Syngenta Group, on the other hand, except
 - if the transaction is made at market terms; or

- if the total compensation made in connection with the transaction (including related transactions of the same nature, with recurring transactions being aggregated) is less than CHF 50'000'000; or
 - in case of any distributions by dividend or capital reduction, capital increases or intra-group mergers involving BidCo (as defined in the Transaction Agreement), the Company or any member company of Syngenta Group, as well as in case of any squeeze-out transactions pursuant to article 8(a) of the Transaction Agreement.
- 2 The CID has the authority, by majority decision, to enforce the provisions of article 7 of the Transaction Agreement and to appoint suitable advisors for this purpose.
 - 3 The CID shall in a binding way nominate for election to the Board the individual proposed by the GNC or, acting reasonably, another individual, provided that such nomination shall not be binding on China National Chemical Corporation for Important Reasons as defined in the Transaction Agreement.

Article 19b

- 1 The CID consists of the four Independent Directors.
- 2 The Vice Chairman of the Board shall act as the lead Independent Director and Chairperson of the CID. The Group General Counsel or his/her delegate shall act as Secretary of the CID.
- 3 The organization of the CID is set forth in the CID Charter, which is established and approved by the CID only, subject, however, to article 26 of these Regulations.

I The Chairman of the Board (Chairman)

Article 20

- 1 The Chairman leads the Board in the exercise of its non-transferable duties, including the ultimate management and oversight of the Company, the exercise of its organizational and financial responsibility, the appointment and removal of members of the SEC, and the proposals to the General Meeting of Shareholders.
- 2 The Chairman, together with the CEO, assumes overall responsibility for the development of the Company's strategies and ensures the close alignment and common understanding between the Board, its Committees, the CEO and the SEC of such strategies and their implementation.
- 3 On behalf of the Board, the Chairman exercises ongoing oversight and governance over the CEO and through him also over the SEC.
- 4 The Chairman organizes and chairs the General Meeting of Shareholders and acts a steward and guardian for the shareholders between meetings.
- 5 The Chairman defines the agenda of the Board meetings in coordination with the CEO. He organizes and chairs the meetings of the Board and ensures that the business of the Board and its Committees proceeds in an orderly fashion.
- 6 Internal Audit reports directly to the Chairman. The Head Internal Audit has regular one-on-one meetings with the Chairman to share his/her findings and receive input on his/her functional priorities.
- 7 The Chairman, together with the CEO, manages the reputation of the Company, and represents the interests of the Company to important stakeholders and the general public.
- 8 The Chairman approves external mandates of the members of the SEC as set forth in article 27 paragraph 2 of the Company's Articles of Incorporation.

- 9 Should the Chairman be unable to carry out his duties, the Vice Chairman shall act in his stead.

J The Chief Executive Officer (CEO)

Article 21

- 1 The CEO shares responsibility for the strategic direction of the Company with the Chairman.
- 2 The CEO leads the SEC. The members of the SEC are directly responsible to the CEO.
- 3 The CEO and the SEC are jointly responsible for the active leadership and the operative management of the Company.
- 4 The CEO is directly responsible to the Chairman and the Board for efficient and effective work of the SEC.
- 5 The CEO, together with the Chairman, manages the reputation of the Company, and represents the interests of the Company to important stakeholders and the general public.
- 6 The CEO forwards proposals to the Chairman, the Board or its Committees to the extent a subject matter falls within their respective remit.

K The Syngenta Executive Committee (SEC)

Article 22

- 1 Under the leadership of the CEO, the SEC is responsible for the active leadership and the operative management of the Company.
- 2 Each member of the SEC is responsible for the management of his/her function, and all members of the SEC are collectively responsible for decisions taken as a Committee.
- 3 The SEC consists of:
 - the CEO;

- the President Global Crop Protection and EAME, LATAM and APAC
 - the President Global Seeds and North America;
 - the Chief Financial Officer (CFO);
 - the Head Research & Development;
 - the Head Global Operations;
 - the Head Legal & Taxes.
- 4 Each member of the SEC must work in close cooperation with the other members. Each member of the SEC reports to, and is responsible to, the CEO in respect of his/her function.
- 5 The SEC meets whenever business requires. Resolutions are adopted by a majority of votes cast. In the event of equality of votes, the CEO has the casting vote.

Article 23

The Secretary of the SEC takes minutes of the meetings of the SEC and of any written resolutions. The CEO nominates the Secretary of the SEC; this person need not be a member of the SEC.

Article 24

The duties of the SEC comprise in particular:

- formulation of the fundamentals of corporate policy;
- designing the Company strategy and strategic plans for the approval of the Board;
- implementation of the strategies, strategic plans and the periodic assessment of the attainment of goals;
- submission of regular reports for the attention of the Board or its Committees;
- acquisitions and divestments of assets, companies or businesses, other financial measures and any other business in accordance with the financial authorization levels set out in Appendix 1;

- the institution or settlement of legal proceedings in accordance with the financial authorization levels set out in Appendix 1;
- the provision of any guarantee, surety or other security interest to any third party for existing or future debt and obligations of the Company in accordance with the financial authorization levels set out in Appendix 1;
- the provision of donations and the entering into sponsorship commitments in accordance with the financial authorization levels set out in Appendix 1;
- any other business in accordance with the financial authorization levels set out in Appendices 1 or 2;
- promotion of a modern and active leadership culture;
- provision and optimal utilization of resources (finances, management capacity);
- establishment of an active communications policy within and outside the Company;
- systematic selection, development and promotion of new and potential management personnel;
- examination and approval of significant agreements with third parties and business activities involving extraordinary high risks;
- establishment of guidelines for planning, organization, finance, reporting, information and other technology etc.

L Internal Audit

Article 25

- 1 As an inspecting and monitoring body, Internal Audit carries out operational audits (administrative procedures) and system audits. In this connection, the periodical and systematic checking of financial reporting is of particular importance. All organizational units, associated companies, and foundations are subject to audit.
- 2 Internal Audit is assigned its duties by the AC. It submits its reports to the Chairperson of the AC.

- 3 The Head Internal Audit reports to the Chairman of the Board.
- 4 Any suspected irregularities must be reported without delay.

M Final Provisions

Article 26

Article 2 paragraphs 1a and 1b, article 3 paragraph 3 (first bullet point), article 6a, article 10 (sentence 2), article 19a, article 19b and this article 26 of these Regulations as well as the requirements that (i) the Vice Chairman shall act as lead Independent Director and (ii) at least one member of each committee of the Board be an Independent Director as set out in various provisions of these Regulations shall automatically lapse as of the earlier of 5 years following the Effective Date and a re-listing or a partial re-listing of the shares of the Company through an initial public offering.

Appendix 1 (subject to the competencies of the CID according to article 7 of the Transaction Agreement)

Financial Authorization Levels

1 Investments/divestments

1.1 Acquisition/divestment of assets (fixed assets/land/IT projects/product lines/licenses)

Transaction/Corporate Action	Approving Corporate Body
<ul style="list-style-type: none"> • Transaction value >USD 30 million • Transaction value < USD 30 million 	<ul style="list-style-type: none"> • Board • SEC

1.2 Acquisition/divestment of companies or businesses (incl. JVs)

Transaction/Corporate Action	Approving Corporate Body
<ul style="list-style-type: none"> • Transaction value >USD 30 million • Transaction value USD 5 – USD 30 million • Transaction value < USD 5 million 	<ul style="list-style-type: none"> • Board • SEC + Chairman • SEC

2 Financial measures

Transaction/Corporate Action	Approving Corporate Body
Basis of financial policy	Board
Share capital transactions	GM
Debentures, issue of negotiable securities	Board
Other long-term (> 12 months) financing > USD 750 million < USD 750 million	Board SEC + Chairman
Provision of guarantees, surety or other security interest to third parties for existing or future Company debts/obligations > USD 250 million < USD 250 million	Board SEC + Chairman

3 Various

3.1 Establishment/liquidation of legal entities

Transaction/Corporate Action	Approving Corporate Body
Establishment of new legal entities and equity JVs: <ul style="list-style-type: none">• Share capital of new entity > USD 100 million• Share capital of new entity < USD 100 million	<ul style="list-style-type: none">• Board• SEC
Liquidation of legal entities and equity JVs: <ul style="list-style-type: none">• Share capital of entity > USD 50 million• Share capital of entity < USD 50 million	<ul style="list-style-type: none">• Board• SEC

3.2 Institution/settlement of legal proceedings

Transaction/Corporate Action	Approving Corporate Body
Institution or settlement of legal proceedings with the following amount in dispute: <ul style="list-style-type: none">• > USD 50 million• USD 10 million – USD 50 million• USD 5 million – USD 10 million• < USD 5 million	<ul style="list-style-type: none">• Board• SEC + Chairman• SEC• GGC

3.3 Donations and sponsorship (excluding unit-specific)

Transaction/Corporate Action	Approving Corporate Body
Value of contribution: <ul style="list-style-type: none">• > USD 1 million• < USD 1 million	<ul style="list-style-type: none">• SEC + Chairman• CEO

Principle applicable to Financial Authorization Level items 1.1 and 1.2

The financial authorization levels for items 1.1 and 1.2 relate to projects included in the annual budget for such items approved by the Board.

The following applies to projects not included in the annual budget approved by the Board:

- provided that the total annual budget sanction for such items is not exceeded, the SEC may approve projects up to half the capital expenditure sanction amounts of budgeted projects;
- any project authorization which would lead to the total annual budget sanction for such items being exceeded would need approval by the Board.

Appendix 2 (subject to the competencies of the CID according to article 7 of the Transaction Agreement)

**Authorization levels: Personnel appointments
(As a matter of principle the "grandfather rule" shall apply)**

1 Holding/Foundations

Corporate body	Decision maker
Board	GM
Chairman	GM
Secretary of Board	Board
Compensation Committee	GM
Other Board Committees	Board
CEO	Board
SEC members	Board
Head Internal Audit	Board
SEC Secretary	CEO
Functions one level below SEC member	CEO
Foundation Councils	CEO
Approval of external mandates of SEC and Board members	Chairman

2 Boards of Group Companies

Group Companies	Decision-making authority
Sales > USD 150 million	CEO
Sales < USD 150 million	GGC

3 Management of Group Companies

Functions	Recommendation / Appointment
Heads of Group Companies	CEO
Functions one level below Heads of Group Companies	SEC
Secretary of Board for all Group Companies	GGC
CFOs for all Group Companies	CFO
Other positions	Local

Board Board of Directors
 GM General Meeting
 SEC Syngenta Executive Committee
 CEO Chief Executive Officer
 GGC Group General Counsel
 CFO Chief Financial Officer

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