



April 29, 2014, Basel, Switzerland

Thirteenth Ordinary General Meeting of Syngenta AG

Chairman's speech

Michel Demaré, Chairman of the Board of Directors

Dear shareholders,
ladies and gentlemen,

It is a pleasure for me to be hosting my first meeting as Chairman, having succeeded Martin Taylor a year ago. I joined the Board as a non-executive Director in 2012, a year after the launch of the integrated crop strategy which is the foundation of our business model.

Since this launch, the company has made substantial progress towards the ambitious target of \$25 billion in sales by 2020. In 2013, notwithstanding some operational challenges which held back growth in profit, sales continued to expand and the business momentum has been confirmed by further growth in the first quarter this year. The Board's confidence in the future of the company, and our strong balance sheet, enabled us to recommend an increase of the dividend by 5% to CHF10 per share.

In my first year as Chairman, I have travelled extensively to meet with employees, customers and other stakeholders around the world in order to experience what the integrated, crop-focused strategy means to them. This has given me confidence that we are on the right strategic path and that our approach has immense potential. Being relatively new to farming, I have been impressed by the sheer diversity of our customers, from smallholder farmers in Asia growing rice on less than two hectares,



to soybean growers in Mato Grosso in Brazil with 50,000 hectares or more to take care of. They face problems that require a broad toolbox of technologies and solutions, and I was impressed by their enthusiasm for our strategy and their appreciation of how it might help them to improve their productivity and resource efficiency.

The diversity of our customers is also reflected in our 28,000 employees around the world. I am pleased to say that we further built on this diversity in 2013 such that we now have over 40 nationalities in senior management. This diversity, along with the culture of the company, is a key strength and differentiates us from our competitors. During the year we reinforced our culture with a worldwide employee engagement program aimed at deepening the understanding of our values, ambition, strategy and brand. I attended one such event myself and was pleased to see the passion of our employees, their commitment and unity of purpose. This is reflected in our low employee attrition rate which, at just over 5% in 2013, compares very favourably with other companies.

The passion, commitment and unity of purpose of our people are often challenged, however, by voices, largely in urban society, who often oppose what we do. This disconnect between the way we see ourselves and the way others do, is one of the biggest challenges we face. So addressing this disconnect is of primary importance, for Syngenta but also for society, which is confronted with a huge food security challenge.

To better understand some of these opposing views, we commissioned an independent survey of some 7500 people in cities across the world and they were asked about their views on agriculture, food and the environment. It revealed some interesting disconnections.

The vast majority of people agreed that food security is one of the biggest challenges the planet faces and supported the use of technology in agriculture to help meet it.



But they significantly changed their opinion when told what technology really meant in agriculture – for example pesticides, fertilizer and genetic modification. Respondents also believed that more water and land should be used for agriculture despite both resources being under severe pressure. Agriculture already represents 70% of the world’s fresh water withdrawal and, since 1960, we have lost one third of the planet’s arable land due to soil erosion. Finally, and perhaps most revealing, was that a majority of people believed that agriculture as a whole was not conducted in a responsible manner.

Given that more people now live in the cities than in rural communities, and that 180,000 people a day make this migration, the danger is that this disconnect between rural and urban life, between office workers and farm workers, between those who consume food and those who grow it, continues to widen. We have a responsibility to try to close this gap and find a more constructive and productive way forward.

So what can we do?

As our answer to that question, we launched in September last year *The Good Growth Plan*. This is Syngenta’s commitment to make a measurable contribution to the immense global challenge of providing food security for a growing world population, in a sustainable way. We have set ourselves specific targets to improve resource efficiency, rejuvenate ecosystems and revitalize rural economies. You can read more about *The Good Growth Plan* and our specific targets in the brochure which I hope you picked up in the foyer.

Since we launched last year we have already established hundreds of reference farms around the world, with whom we will work over the coming years to measure our progress. The targets have also been embedded in our commercial plans in all our territories. And we are engaging with stakeholders around the world and updating them on our progress. That progress will be monitored and audited by an



independent third party to ensure transparency and build trust. *The Good Growth Plan* has already enabled us to have more constructive dialogues, as I personally experienced at the Zurich launch. The Board is fully supportive of the leadership position being taken by the company. The commitments we have made are fully endorsed by the Board, and I look forward to reporting progress to you at our next meeting.

The Board itself continued to evolve with the election last year of two new Directors, Eleni Gabre-Madhin and Eveline Saupper, and their diverse perspectives have already enriched the debate at our meetings. Their election marked the end of the reconstruction of the Board, following the retirement of all the founding Directors, having reached the time limit stipulated in our Articles of Incorporation. The Board now comprises 10 members with eight different nationalities and a variety of skills, capabilities and backgrounds.

As a collective body, the Board is well placed to govern the strategic direction of the company in the coming years. In order to ensure the continuing success and high performance of the Board in the future we established, in 2013, a separate Nomination Committee. This new committee, comprising three independent directors and chaired by me, is charged with managing the succession of Board members and the CEO, reviewing and ensuring the independence of the Board and assessing its performance.

2013 was of course an important year in the history of corporate governance in Switzerland, with the vote to amend the federal law known as the *Minder Initiative or Ordinance against Excessive Compensation at Listed Companies*, which came into effect on January 1st this year. We have implemented the required changes and also initiated a thorough review of our Articles of Incorporation to make them not only Minder compliant, but also at the forefront of best practice in international governance. We are submitting these revised Articles of Incorporation to your vote



today and, to make it simpler for you, have attached to your invitation a brochure which clearly highlights the changes and explains the philosophy behind them.

The Ordinance also requires listed companies to submit the compensation of members of the Board of Directors and of the Executive Committee to the AGM for approval. The first vote on the compensation of the Board of Directors and the Executive Committee, in accordance with the amended Articles of Incorporation, will be held at the 2015 AGM, and will be 100% prospective. This prospective approach we believe provides shareholders with full transparency while still allowing the Board the required flexibility to set compensation which truly rewards performance while remaining competitive on the global talent market.

The Board of Directors has also decided, in line with the recommendations of the Swiss Code of Best Practice for Corporate Governance, to continue submitting the compensation system to shareholders for a consultative vote, giving you another opportunity to voice your agreement or concerns about how we have put our compensation principles into practice. The principles and technicalities of our compensation system are described in more detail in the Compensation Report. I strongly believe that our system balances the interests of shareholders and the company well, with the majority of executive pay linked to performance. This is evident in the significantly lower compensation for the executive management team in 2013 as targets were not met.

Finally, the Ordinance stipulates that the members of the Board of Directors, and the Chairman, must be elected individually and annually at the AGM along with the members of the Compensation Committee. You will have the opportunity to do so later in this meeting and the Swiss and UK-based Directors are here in the room today. I trust you will understand my decision, on the grounds of cost efficiency, not to require the attendance of all Directors, some of whom are based long distances away.



With that, let me welcome you again and say that I look forward to leading the Board of your company on the next stage of its journey. We have the right strategy to strengthen our integrated industry leadership, while at the same time delivering on our sustainability commitments expressed in our *Good Growth Plan*.

Thank you.

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