



**Syngenta Finance N.V.**

*(a Dutch public company with limited liability)*

**\$750,000,000 3.698% Senior Notes due 2020**

**\$750,000,000 3.933% Senior Notes due 2021**

**\$1,000,000,000 4.441% Senior Notes due 2023**

**\$750,000,000 4.892% Senior Notes due 2025**

**\$1,000,000,000 5.182% Senior Notes due 2028**

**\$500,000,000 5.676% Senior Notes due 2048**

**Fully and unconditionally guaranteed by**

**Syngenta AG**

*(a Swiss stock corporation (Aktiengesellschaft))*

Syngenta Finance N.V. (the "Issuer") is offering \$750,000,000 of its Senior Notes due 2020 (the "2020 Notes"), \$750,000,000 of its Senior Notes due 2021 (the "2021 Notes"), \$1,000,000,000 of its Senior Notes due 2023 (the "2023 Notes"), \$750,000,000 of its Senior Notes due 2025 (the "2025 Notes"), \$1,000,000,000 of its Senior Notes due 2028 (the "2028 Notes") and \$500,000,000 of its Senior Notes due 2048 (the "2048 Notes" and, together with the 2020 Notes, the 2021 Notes, the 2023 Notes, the 2025 Notes and the 2028 Notes, the "Notes"). The Notes will be fully and unconditionally guaranteed (the "Guarantees") by Syngenta AG (the "Guarantor"). In this offering memorandum (the "Offering Memorandum"), we refer to each series of the Notes as a "series" of Notes. The Notes will bear interest per annum, payable semi-annually, in arrears, on April 24 and October 24 of each year, beginning on October 24, 2018. The 2020 Notes, the 2021 Notes, the 2023 Notes, the 2025 Notes, the 2028 Notes and the 2048 Notes will mature on April 24, 2020, April 23, 2021, April 24, 2023, April 24, 2025, April 24, 2028 and April 24, 2048, respectively.

The Issuer may redeem the Notes in whole at any time or in part from time to time at the applicable redemption price as described in "Description of the Notes and Guarantees—Optional Redemption" in this Offering Memorandum. In particular, on or after the applicable Par Call Date (as defined in "Description of the Notes and Guarantees—Optional Redemption"), the Issuer may redeem the 2023 Notes, the 2025 Notes, the 2028 Notes or the 2048 Notes at a redemption price equal to 100% of the principal amount of the Notes of such series to be redeemed plus accrued and unpaid interest to the date of redemption and any additional amounts. The Issuer may also redeem the Notes, in whole but not in part, at any time at 100% of their principal amount plus accrued interest upon the occurrence of certain tax events described in "Description of the Notes and Guarantees—Redemption for Taxation Reasons." If a Change of Control Triggering Event occurs with respect to a particular series of the Notes, we will be required to offer to purchase such series of the Notes on the terms described in this Offering Memorandum. See "Description of the Notes and Guarantees—Offer to Repurchase Upon Change of Control Triggering Event".

This Offering Memorandum constitutes a prospectus within the meaning of Article 5 para. 3 of Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 (as amended, inter alia, by Directive 2010/73/EU) (the "Prospectus Directive") since application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange, a market appearing on the list of regulated markets issued by the European Commission pursuant to Directive 2014/65/EU of May 15, 2014 on markets in financial instruments. This Offering Memorandum will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). This Offering Memorandum will be submitted for approval by the Commission de Surveillance du Secteur Financier (the "CSSF") of the Grand Duchy of Luxembourg ("Luxembourg") in its capacity as competent authority under the Luxembourg law relating to prospectuses dated July 10, 2005 (*Loi relative aux prospectus pour valeurs mobilières*, the "Luxembourg Prospectus Law"), which implements the Prospectus Directive into Luxembourg law. Pursuant to Article 7(7) of the Luxembourg Prospectus Law, by approving this Offering Memorandum, the CSSF gives no undertaking as to the economic and financial opportuneness of the transactions contemplated by this Offering Memorandum or the quality or solvency of either the Issuer or the Guarantor.

**See "Risk Factors" beginning on page 12 of this Offering Memorandum for a discussion of certain risks that you should consider in connection with an investment in the Notes.**

The Notes and the Guarantees have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws. Accordingly, the Notes are being offered and sold only to qualified institutional buyers

<http://www.oblible.com>

(“QIBs”) in accordance with Rule 144A under the Securities Act (“Rule 144A”) and to persons outside the United States that are not, and are not acting for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“Regulation S”)) in offshore transactions in accordance with Regulation S. **Prospective purchasers that are QIBs are hereby notified that the seller of the Notes may be relying on the exemption from the registration requirements under the Securities Act provided by Rule 144A.** The Notes are not transferable except in accordance with the restrictions described in “Notice to Investors and Transfer Restrictions.”

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**Offering Price for the 2020 Notes: 100.000%**  
**Offering Price for the 2021 Notes: 100.000%**  
**Offering Price for the 2023 Notes: 100.000%**  
**Offering Price for the 2025 Notes: 100.000%**  
**Offering Price for the 2028 Notes: 100.000%**  
**Offering Price for the 2048 Notes: 100.000%**  
**in each case, plus accrued interest, if any, from April 24, 2018**

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We expect delivery of the Notes through the facilities of The Depository Trust Company (“DTC”) and its direct and indirect participants (including Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”)) will be made to investors on or about April 24, 2018.

*Joint Book-Running Managers*

|                           |                                            |                                                |                    |                            |                      |
|---------------------------|--------------------------------------------|------------------------------------------------|--------------------|----------------------------|----------------------|
| <b>BNP PARIBAS</b>        | <b>Citigroup</b>                           | <b>Credit Suisse</b>                           | <b>HSBC</b>        | <b>MUFG</b>                | <b>Santander</b>     |
| <b>Banca IMI</b>          | <b>China Construction Bank Corporation</b> | <b>China International Capital Corporation</b> | <b>COMMERZBANK</b> | <b>Credit Agricole CIB</b> | <b>DBS Bank Ltd.</b> |
| <b>ICBC Standard Bank</b> | <b>ING</b>                                 | <b>Rabo Securities</b>                         | <b>Scotiabank</b>  | <b>UniCredit</b>           |                      |

April 20, 2018

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## IMPORTANT INFORMATION

**This Offering Memorandum contains and incorporates by reference information that you should consider when making your investment decision. The Issuer, the Guarantor and BNP Paribas Securities Corp., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, HSBC Securities (USA) Inc., MUFG Securities Americas Inc., Santander Investment Securities Inc., Banca IMI S.p.A., China Construction Bank Corporation Beijing, Swiss Branch Zurich, China International Capital Corporation Hong Kong Securities Limited, Commerz Markets LLC, Credit Agricole Securities (USA) Inc., DBS Bank Ltd., ICBC Standard Bank Plc, ING Financial Markets LLC, Rabo Securities USA, Inc., Scotia Capital (USA) Inc. and UniCredit Bank AG (collectively, the “Initial Purchasers”) have not authorized anyone to provide you with any information other than that contained or incorporated by reference in this Offering Memorandum or to which the Issuer has referred you. The Issuer, the Guarantor and the Initial Purchasers take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This Offering Memorandum may only be used where it is legal to sell these securities. The information contained or incorporated by reference in this Offering Memorandum is accurate only as of the date of this Offering Memorandum. None of the Issuer, the Guarantor or the Initial Purchasers is making an offering of the Notes in any jurisdiction where this offering is not permitted. You should not assume that the information contained or incorporated by reference in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum.**

In making an investment decision, prospective investors must rely on their own examination of the Issuer and the terms of this offering, including the merits and risks involved.

This Offering Memorandum has been prepared by the Issuer and the Guarantor solely for use in connection with the proposed offering of the Notes described in this Offering Memorandum and for application to be approved to list the Notes on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes.

In addition, none of the Issuer, the Guarantor or the Initial Purchasers or any of our or their respective affiliates or representatives is making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Memorandum as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; none of the Issuer, the Guarantor or the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements.

The Initial Purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained or incorporated by reference in this Offering Memorandum. Nothing contained or incorporated by reference in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or future.

In this Offering Memorandum, Syngenta Finance N.V. is referred to as “Syngenta Finance” or “the Issuer”, Syngenta AG is referred to as the “Guarantor,” and Syngenta AG and its consolidated subsidiaries taken together are referred to as “Syngenta” or the “Group.” Unless otherwise noted or the context otherwise requires, references to “we,” “our” and “us” refer to Syngenta Finance N.V. and Syngenta AG, in each case including any successor person. Syngenta Finance N.V. is offering the Notes using this Offering Memorandum. Syngenta AG is acting as the Guarantor for the Notes offering by Syngenta Finance N.V. using this Offering Memorandum. Except as otherwise indicated, all amounts are expressed in U.S. dollars and references to “dollars” and “\$” are to U.S. dollars.

By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to request from the Issuer or the Initial Purchasers for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained or incorporated by reference in this Offering Memorandum. You also acknowledge that you have not relied on the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

The Issuer reserves the right to withdraw this offering at any time. The Issuer is making this offering subject to the terms described in this Offering Memorandum and the purchase agreement relating to the Notes entered into between the Issuer and the representatives of the Initial Purchasers (the “purchase agreement”). The Issuer and the Initial Purchasers reserve the right to reject all or a part of any offer to purchase the Notes, for any reason. The Issuer and the Initial Purchasers also reserve the right to sell less than all of the Notes offered by this Offering Memorandum or to sell to any purchaser less than the amount of Notes it has offered to purchase.

None of the Securities and Exchange Commission (the “SEC”), any state securities commission or any other regulatory authority has approved or disapproved of the Notes, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States and could be a criminal offense in other countries.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the Securities Act and the applicable state securities laws, pursuant to registration or exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment, including the risk of a complete loss of your investment, for an indefinite period of time. See “Plan of Distribution” and “Notice to Investors and Transfer Restrictions.”

The distribution of this Offering Memorandum and the offering and sale of the Notes in certain jurisdictions may be restricted by law.

The Notes will be issued in the form of two or more global notes. See “Description of the Notes and Guarantees.”

#### **NOTICE TO U.S. INVESTORS**

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Offering Memorandum under “Notice to Investors and Transfer Restrictions.”

The Notes and the Guarantees offered hereby have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to “qualified institutional buyers,” or QIBs, within the meaning of Rule 144A in reliance on an exemption from the registration requirements of the Securities Act provided by Rule 144A. **Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.** The Notes may be offered and sold to persons outside the United States that are not, and are not acting for the account or benefit of, “U.S. persons” (as defined in Regulation S) in reliance on Rule 903 or Rule 904 of Regulation S. For a description of certain further restrictions on resale or transfer of the Notes, see “Notice to Investors and Transfer Restrictions.”

The Notes described in this Offering Memorandum have not been registered with, recommended by or approved by the SEC, any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence.

**THE NOTES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING MEMORANDUM, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC.**

#### **NOTICE TO EEA INVESTORS**

This Offering Memorandum has been prepared on the basis that all offers and sales of the Notes will be made only in circumstances where there is an exemption from the obligation under the Prospectus Directive to produce and/or publish a prospectus. As a result, any offer of Notes in any Member State of the European Economic Area

(“EEA”) (each, a “Relevant Member State”) must be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make any offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any of the Initial Purchasers to produce and/or publish a prospectus pursuant to the Prospectus Directive, including Article 3 thereof, as so implemented, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any of the Initial Purchasers have authorized, nor do they authorize, the making of any offer of the Notes in circumstances in which an obligation arises for the Issuer or any of the Initial Purchasers to produce and/or publish or supplement a prospectus for such offer.

For the purposes of the above, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

#### **MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET**

Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market assessment for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “MiFID II”) and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

#### **PROHIBITION OF SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

#### **NOTICE TO U.K. INVESTORS**

This Offering Memorandum is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the “FSMA”), by, a person authorized under the FSMA. In the United Kingdom, this Offering Memorandum is being distributed only to, and is directed only at, persons (i) having professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”)), or (ii) falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order, or (iii) to whom it may otherwise lawfully be distributed in accordance with the Order (all such persons together being referred to as “relevant persons”). This Offering Memorandum must not be acted or relied upon by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

#### **NOTICE TO THE NETHERLANDS INVESTORS**

The Notes are not and may not be offered in the Netherlands other than to persons or entities who or which are qualified investors (*gekwalficeerde beleggers*) within the meaning of Section 1:1 of the Dutch Financial

Supervision Act (*Wet op het financieel toezicht*) (which implements the definition of “qualified investors” in the Prospectus Directive (Directive 2003/71/EC)).

No approved prospectus within the meaning of the Prospectus Directive is required to be made generally available in connection with the offering of the Notes.

#### **NOTICE TO SWITZERLAND INVESTORS**

This Offering Memorandum is not intended to constitute an offer to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

#### **NOTICE TO HONG KONG INVESTORS**

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

#### **NOTICE TO SINGAPORE INVESTORS**

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person under Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1) of the SFA and Section 275(1A) of the SFA, respectively, and in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; (3) where the transfer is by operation of law; or (4) pursuant to Section 276(7) of the SFA.

## OVERVIEW

*This overview does not contain all of the information that is important to you. You should read carefully the entire Offering Memorandum and the documents incorporated by reference herein, for more information on this offering and Syngenta.*

### The Guarantor

Syngenta AG was incorporated on November 12, 1999 as a corporation (*Aktiengesellschaft*) under the laws of Switzerland. Syngenta AG is the holding company for a group of over 100 subsidiaries and employs over 27,000 employees. Syngenta is a world leading agribusiness operating in the crop protection and seeds business, which is involved in the discovery, development, manufacture and marketing of a range of products designed to improve crop yields and food quality, and in the lawn and garden business, which provides professional growers and consumers with flowers, turf and landscape, and professional pest management products.

Syngenta AG is headquartered in Basel, Switzerland. Novartis AG and AstraZeneca PLC in November 2000 agreed to spin off and merge the Novartis crop protection and seeds businesses with the AstraZeneca agrochemicals business to create Syngenta as a dedicated agribusiness company whose shares were then the subject of a global offering.

On February 2, 2016, Syngenta AG entered into a definitive agreement (the “Transaction Agreement”) with China National Chemical Corporation (“ChemChina”) and China National Agrochemical Corporation, pursuant to which ChemChina agreed to cause a newly-incorporated company that is directly or indirectly controlled by ChemChina, CNAC Saturn (NL) B.V. (“CNAC”), to submit a tender offer for all publicly held ordinary shares of Syngenta AG and American Depositary Shares (“ADSs”) of Syngenta AG issued by The Bank of New York Mellon as depositary (the “ChemChina Tender Offer”). In accordance with the terms of the Transaction Agreement, which was unanimously approved by Syngenta AG’s Board of Directors, CNAC offered the shareholders of Syngenta AG \$465 per ordinary share, payable in cash, plus a special dividend of CHF 5 payable by Syngenta AG once the ChemChina Tender Offer became unconditional and prior to its first settlement. On March 23, 2016, CNAC launched the ChemChina Tender Offer. Following the second settlement of the ChemChina Tender Offer on June 7, 2017, CNAC had acquired 94.7% of Syngenta AG shares in aggregate. On July 13, 2017, following the purchase of additional Syngenta AG shares, ChemChina announced that its ownership in Syngenta AG had exceeded 98% of Syngenta AG’s share capital.

As a consequence, ChemChina filed a petition with the Basel Appellate Court to cancel the remaining Syngenta AG shares that were not held by ChemChina or any of its affiliates. Holders of these Syngenta AG shares received the offer price of \$465 per Syngenta AG share following completion of the court proceedings. On October 2, 2017, Syngenta AG applied for the de-listing from the SIX Swiss Exchange of its shares and on December 21, 2017, the request was approved by SIX Exchange Regulation. The last day of trading was January 5, 2018 and the effective date of de-listing was January 8, 2018. On January 8, 2018, Syngenta AG filed for voluntary de-listing of its ADSs from the New York Stock Exchange, which became effective on January 18, 2018. On January 19, 2018, Syngenta AG filed for deregistration of its securities from the SEC, suspending its reporting obligations under the Exchange Act.

On January 8, 2018, ChemChina issued a statement that Syngenta is a diversified and innovative global leader in the agrochemical sector with a solid historical financial track record that is further supported by ChemChina’s and Syngenta’s commitments to maintain Syngenta’s investment grade rating. As such, ChemChina stated that it is and remains fully supportive to Syngenta in order to achieve its strategic objectives and higher credit ratings in a timely manner.

### The Issuer

Syngenta Finance is a wholly owned subsidiary of Syngenta Treasury N.V., a public company with limited liability incorporated under the laws of The Netherlands and registered with the trade register of the Chamber of Commerce under number 37131821, which is a wholly owned subsidiary of Syngenta Participations AG, which is itself a wholly owned subsidiary of Syngenta AG. Syngenta Finance was incorporated as a public company with



limited liability (*naamloze vennootschap*) under the laws of The Netherlands on March 20, 2007 with its corporate seat in Amsterdam, The Netherlands. The Issuer is a financing vehicle for Syngenta AG. The Issuer has no independent operations, other than borrowing, lending and raising funds, the proceeds of which are generally used to finance one or more of the Syngenta AG subsidiaries.

### **Guarantees of the Notes**

Syngenta AG will fully and unconditionally guarantee, as the Guarantor, the Notes that Syngenta Finance issues. The Issuer is a 100% owned indirect finance subsidiary of the Guarantor and the Guarantor fully and unconditionally guarantees the Notes issued by the Issuer as to payment of principal, premium, if any, interest and any other amounts due. No other subsidiary of the Guarantor will guarantee the Notes. Subject to certain Dutch law restrictions on payment of dividends, among other things, and potential negative tax consequences in Switzerland (as set forth under “Use of Proceeds”), we are not aware of any significant restrictions on the ability of the Guarantor to obtain funds from the Issuer or its other subsidiaries by dividend or loan, or any legal or economic restrictions on the ability of the Issuer or the Guarantor’s other subsidiaries to transfer funds to the Guarantor in the form of cash dividends, loans or advances; *provided, however*, that the possibility of a Swiss corporation paying dividends and making upstream loans is subject to general legal restrictions. There is no assurance that in the future additional restrictions will not be adopted.

### **Recent Developments**

#### ***Claims Relating to Syngenta’s Commercialization of AGRISURE VIPTERA® (MIR162) and DURACADE™***

On September 25, 2017, Syngenta entered into a settlement in principle to resolve all claims by U.S. producers, grain-handling facilities and ethanol plants relating to its commercialization of AGRISURE VIPTERA® (MIR162) and DURACADE™ corn seed in the United States without having obtained import approval from China for those products. On February 26, 2018, the parties executed a definitive agreement to reflect this settlement in principle. The settlement agreement, which also covers the \$217.7 million verdict on behalf of Kansas corn growers from June 2017, establishes a settlement fund of \$1.5 billion, payable in installments, for eligible claimants who elect to be bound by the settlement and a fund of \$10 million for administrative costs. The settlement states that it does not constitute any admission of liability or damages by Syngenta. The settlement of the producer cases does not cover claims of individual grain exporter plaintiffs such as Cargill, Archer Daniels Midland (“ADM”) or Louis Dreyfus. In December 2017, ADM and Syngenta reached a settlement of their Viptera litigation. Syngenta intends to continue to defend itself against the claims of other plaintiffs, including other individual grain exporters and putative class actions brought by corn farmers in Canada. The outcome of each of these lawsuits is subject to uncertainty and further claims may be made. For a description of such other claims see Note 20 to Syngenta’s consolidated financial statements on pages 53 to 57 of the 2017 Financial Report, incorporated by reference in this Offering Memorandum. See “Risk Factors—Risks Relating to Syngenta’s Business—Adverse outcomes in legal proceedings could subject Syngenta to substantial damages and adversely affect Syngenta’s results of operation and profitability.”

#### ***Acquisition of Nidera Seeds and Entry into Acquisition Facility***

On November 6, 2017, Syngenta AG and COFCO International Ltd (“COFCO”) announced that Syngenta AG had entered into a binding agreement to acquire the global seeds business of Nidera, from Nidera B.V., a subsidiary of COFCO, for \$1.4 billion on a cash-free, debt-free basis, subject to a final purchase price adjustment. The acquisition was completed on February 6, 2018. We believe the acquisition of Nidera will strengthen our position in the Latin American market and bring more innovation to growers in Latin America.

Syngenta funded the purchase price by borrowing under a bridge facility (the “Bridge Facility”) that Syngenta Crop Protection AG, as borrower, has entered into with UBS Limited and UniCredit Bank AG in connection with the acquisition and through available cash. The borrower’s obligations under the Bridge Facility were guaranteed by Syngenta AG, Syngenta Finance AG, Syngenta Finance N.V., Syngenta Wilmington Inc., Syngenta Crop Protection AG and Syngenta Corporation. The Bridge Facility provided, subject to its terms and conditions set forth therein, for borrowing up to \$1.25 billion. On March 29, 2018, the Bridge Facility was repaid in full.

### ***ChemChina Capital Injection into Syngenta AG's Parent Company, CNAC***

Syngenta understands that ChemChina, through its subsidiary CNAC (HK) Finbridge Company Limited, subscribed for a perpetual bond amounting to \$2 billion issued by CNAC in two tranches (\$1.9 billion on December 29, 2017 and \$100 million on January 3, 2018) (the “CNAC Perpetual Bond”). The CNAC Perpetual Bond is junior and subordinated in right of payment to the prior payment in full of all existing and future indebtedness of CNAC. The proceeds have been used in full to partially repay amounts drawn under CNAC’s Facilities Agreement, dated as of March 7, 2016, by and among CNAC, Century (LUX) S.à r.l., CNAC, HSBC Bank plc, as facility agent, HSBC Corporate Trustee Company (UK) Limited, as security agent, HSBC Bank plc, as global coordinator, Credit Suisse AG, Credit Suisse AG, London Branch, HSBC Bank plc, The Hongkong and Shanghai Banking Corporation Limited, Coöperatieve Rabobank U.A., trading as Rabobank London, Coöperatieve Rabobank U.A., Hong Kong Branch, UniCredit Bank AG and UniCredit S.p.A., as mandated lead arrangers, and the lenders party thereto from time to time (the “CNAC Facilities Agreement”), entered into in connection with CNAC’s acquisition of Syngenta AG’s ordinary shares. Neither Syngenta AG nor its subsidiaries are party to the CNAC Facilities Agreement or provide a guarantee of the CNAC Perpetual Bond.

### ***Disposal of Remedy Assets in Relation to ChemChina Acquisition***

On March 16, 2018, Syngenta announced the completion of the sale of a portfolio of Syngenta and Adama Agricultural Solutions Ltd (“Adama”) crop protection products to Nufarm Limited (“Nufarm”). The transaction, valued at \$490 million, was completed on March 16, 2018. The transaction was carried out in accordance with the commitments given to the European Commission relating to ChemChina’s acquisition of Syngenta. The combined portfolio of products divested includes off-patent crop protection formulations in the herbicides, fungicides, insecticides and other categories in the EEA as well as inventory.

### ***Agreement to Acquire Strider***

On March 26, 2018, Syngenta Proteção de Cultivos Ltda, a subsidiary of Syngenta AG, entered into an agreement to purchase the quotas of Strider Desenvolvimento de Software Ltda. Strider is an important participant in the Latin American digital agriculture market. Strider develops and markets technological tools and digital farm management solutions for the agriculture industry. Closing of the transaction is conditioned upon receipt of regulatory clearance from the relevant merger control authorities.

### ***Changes in Management Team***

As announced on April 17, 2018, Christoph Mäder, Global Head of Legal & Taxes and a member of the Syngenta AG Executive Team since the formation of the company in 2000, has elected to step down and retire from Syngenta at the end of July 2018. Stephen Landsman, who joined Syngenta in early 2017 as Global Head of Mergers & Acquisitions, will succeed Christoph as Group General Counsel and join the Syngenta AG Executive Team. Tobias Meili, Syngenta Head Corporate Legal Affairs, will assume the role of Secretary to the Syngenta AG Board of Directors. These appointments are effective May 1, 2018.

## Financial Information

The following summary historical consolidated financial information has been derived from our 2016 Form 20-F and 2017 Financial Report (as defined in “Incorporation by Reference”). The summary historical consolidated financial information should be read in conjunction with, and is qualified in its entirety by reference to, financial statements included in our 2016 Form 20-F and 2017 Financial Report, including the notes thereto incorporated by reference herein, and the information set forth in “Overview,” “Use of Proceeds” and “Capitalization,” each of which is included elsewhere in this Offering Memorandum. Unless otherwise indicated, our 2016 Form 20-F and 2017 Financial Report have been prepared and presented in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

|                                                                         | Year ended December 31, |            |            |
|-------------------------------------------------------------------------|-------------------------|------------|------------|
|                                                                         | 2017 <sup>(1)</sup>     | 2016       | 2015       |
| (\$m, except where otherwise stated)                                    |                         |            |            |
| <b>Amounts in accordance with IFRS</b>                                  |                         |            |            |
| <b>Income statement data:</b>                                           |                         |            |            |
| Sales .....                                                             | 12,649                  | 12,790     | 13,411     |
| Cost of goods sold .....                                                | (6,491)                 | (6,507)    | (7,042)    |
| Gross profit .....                                                      | 6,158                   | 6,283      | 6,369      |
| Operating expenses <sup>(2)</sup> .....                                 | (6,104)                 | (4,636)    | (4,528)    |
| <b>Operating income</b> .....                                           | 54                      | 1,647      | 1,841      |
| Income/(loss) before taxes .....                                        | (116)                   | 1,361      | 1,592      |
| Net income/(loss) .....                                                 | (96)                    | 1,181      | 1,344      |
| <b>Net income/(loss) attributable to Syngenta AG shareholders</b> ..... | (98)                    | 1,178      | 1,339      |
| Weighted average number of shares – basic .....                         | 92,354,881              | 92,020,494 | 91,908,128 |
| Weighted average number of shares – diluted .....                       | 92,366,107              | 92,092,649 | 92,206,535 |
| Basic earnings per share (\$) .....                                     | (1.06)                  | 12.80      | 14.57      |
| Diluted earnings per share (\$) .....                                   | (1.06)                  | 12.79      | 14.52      |
| <b>Cash flow data:</b>                                                  |                         |            |            |
| Cash flow from operating activities .....                               | 1,839                   | 1,807      | 1,190      |
| Cash flow used for investing activities .....                           | (577)                   | (521)      | (462)      |
| Cash flow used for financing activities .....                           | (303)                   | (1,134)    | (1,188)    |
| Additions to property, plant and equipment .....                        | (394)                   | (425)      | (453)      |
| <b>Balance sheet data:</b>                                              |                         |            |            |
| Current assets less current liabilities .....                           | 5,341                   | 5,089      | 5,537      |
| Total assets .....                                                      | 20,333                  | 19,068     | 18,977     |
| Total non-current liabilities .....                                     | (5,615)                 | (4,830)    | (4,896)    |
| Total liabilities .....                                                 | (12,333)                | (11,097)   | (10,557)   |
| Issued share capital .....                                              | (6)                     | (6)        | (6)        |
| Total shareholders' equity .....                                        | (7,976)                 | (7,950)    | (8,401)    |

All activities were in respect of continuing operations.

- (1) On January 1, 2017, Syngenta early adopted IFRS 15 “Revenue from Contracts with Customers” using the cumulative effect method. The impact of such early adoption is not material. Under this method, comparative information for prior periods has not been restated and continues to be reported in accordance with the previous standard, International Accounting Standard 18.
- (2) Operating expenses consist of Marketing and distribution, Research and development and General and administrative expenses.

## The Offering

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer .....         | Syngenta Finance N.V.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Guarantor .....      | Syngenta AG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Notes .....          | <p>\$750,000,000 initial principal amount of 3.698% Senior Notes due 2020.</p> <p>\$750,000,000 initial principal amount of 3.933% Senior Notes due 2021.</p> <p>\$1,000,000,000 initial principal amount of 4.441% Senior Notes due 2023.</p> <p>\$750,000,000 initial principal amount of 4.892% Senior Notes due 2025.</p> <p>\$1,000,000,000 initial principal amount of 5.182% Senior Notes due 2028.</p> <p>\$500,000,000 initial principal amount of 5.676% Senior Notes due 2048.</p> <p>Each series of the Notes will be issued under an Indenture among the Issuer, the Guarantor and the Trustee, as supplemented by a supplemental indenture for each series of Notes (the “Indenture”). Each series of the Notes will be treated as a separate class of securities under the Indenture.</p> |
| Guarantees .....     | Full, irrevocable and unconditional guarantees of the principal, interest, premium, if any, and any other amounts payable in respect of the Notes is given by Syngenta AG.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Issue Price .....    | <p>100.000% for the 2020 Notes.</p> <p>100.000% for the 2021 Notes.</p> <p>100.000% for the 2023 Notes.</p> <p>100.000% for the 2025 Notes.</p> <p>100.000% for the 2028 Notes.</p> <p>100.000% for the 2048 Notes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Issue Date .....     | April 24, 2018.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Maturity Dates ..... | <p>April 24, 2020 for the 2020 Notes.</p> <p>April 23, 2021 for the 2021 Notes.</p> <p>April 24, 2023 for the 2023 Notes.</p> <p>April 24, 2025 for the 2025 Notes.</p> <p>April 24, 2028 for the 2028 Notes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                | April 24, 2048 for the 2048 Notes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Interest Payment Dates .....   | Interest on the the Notes will be payable on April 24 and October 24 of each year, commencing on October 24, 2018 until the relevant Maturity Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Interest .....                 | <p>Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and, respectively, from the Issue Date as follows:</p> <p>2020 Notes: 3.698% per annum, payable semi-annually in arrears.</p> <p>2021 Notes: 3.933% per annum, payable semi-annually in arrears.</p> <p>2023 Notes: 4.441% per annum, payable semi-annually in arrears.</p> <p>2025 Notes: 4.892% per annum, payable semi-annually in arrears.</p> <p>2028 Notes: 5.182% per annum, payable semi-annually in arrears.</p> <p>2048 Notes: 5.676% per annum, payable semi-annually in arrears.</p>                                                                                                                                                                                                                                                                       |
| Interest Rate Adjustment ..... | <p>The interest rate payable on the Notes of each series will be subject to adjustments from time to time if any of Moody's, S&amp;P or Fitch (each, a "Rating Agency") or, in any case, any substitute Rating Agency thereof, downgrades (or subsequently upgrades) the debt rating assigned to the Notes.</p> <p>If the rating of the Notes of a series from any one or more of the Rating Agencies (or, in any case, a substitute Rating Agency thereof) is a rating as set forth under "Description of the Notes and Guarantees—Interest Rate Adjustment," the interest rate on the Notes of that series will increase from the interest rate payable on the Notes of that series on the date of their issuance by an amount equal to the sum of the applicable percentages thereunder. See "Description of the Notes and Guarantees—Interest Rate Adjustment."</p> |
| Record Dates .....             | At the close of business on the 15th calendar day that precedes the related interest payment date, whether or not such day is a business day.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Ranking.....                   | The Notes and the Guarantees will be direct, unsecured and unsubordinated obligations of each of the Issuer and the Guarantor, respectively, ranking <i>pari passu</i> among themselves and with all other direct, unsecured and unsubordinated obligations (except those obligations preferred by statute or operation of law) of the Issuer and the Guarantor, respectively.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Form and Denomination .....    | We will issue the Notes in fully registered form in                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

denominations of \$200,000 and integral multiples of \$1,000 in excess thereof. The Notes of each series will be represented by one or more global securities registered in the name of a nominee of DTC. You will hold beneficial interests in the Notes through DTC, and DTC and its direct and indirect participants (including Euroclear and Clearstream, Luxembourg) will record your beneficial interest on their books. We will not issue certificated Notes except in the limited circumstances that we explain in this Offering Memorandum. Settlement of the Notes will occur through DTC in same day funds.

Further Issuances ..... The aggregate principal amount of debt securities that may be issued under the Indenture is unlimited. The Issuer may from time to time without notice to or the consent of the holders of any series of Notes, issue additional notes having the same terms as those of a series of the Notes offered hereby. Any additional notes may be consolidated with and may form a single series of notes under the Indenture with such series of Notes, *provided* that any additional Notes that have the same CUSIP, ISIN, or other identifying number of the applicable outstanding Notes offered hereunder must be fungible with such outstanding Notes of the relevant series for U.S. federal income tax purposes.

Settlement ..... Payment for the Notes shall be made against delivery to Cede & Co., as nominee for DTC, on April 24, 2018 (T+5). Trades of securities in the secondary market generally are required to settle in two business days, referred to as T+2, unless the parties to a trade agree otherwise. Accordingly, by virtue of the fact that the initial delivery of the Notes will not be made on a T+2 basis, investors who wish to trade the Notes before a final settlement will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement.

Optional Redemption..... The Issuer has the option to redeem the Notes, in whole at any time or in part from time to time. See “Description of the Notes and Guarantees—Optional Redemption.” Upon redemption of (i) the 2020 Notes or the 2021 Notes at any time or (ii) the 2023 Notes, the 2025 Notes, the 2028 Notes or the 2048 Notes at any time prior to the applicable Par Call Date (as defined herein), the Issuer will pay a redemption price equal to the greater of: (1) 100% of the principal amount of the Notes of the series being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes of the series being redeemed, together with accrued and unpaid interest to, but excluding, the redemption date and any additional amounts.

The present value will be determined by discounting the remaining principal and interest payments to the redemption date (assuming such Notes are redeemed on the applicable Par Call Dates in the case of the Notes other than the 2020 Notes and the 2021 Notes), on a semi-annual basis (assuming

a 360-day year consisting of twelve 30-day months), using the Treasury Rate (as defined herein) plus:

in the case of the 2020 Notes, 20 basis points;

in the case of the 2021 Notes, 25 basis points;

in the case of the 2023 Notes, 30 basis points;

in the case of the 2025 Notes, 35 basis points;

in the case of the 2028 Notes, 40 basis points;

in the case of the 2048 Notes, 40 basis points.

Upon redemption of the 2023 Notes, the 2025 Notes, the 2028 Notes or the 2048 Notes on or after the applicable Par Call Date, the Issuer will pay a redemption price equal to 100% of the principal amount of the Notes of such series to be redeemed plus accrued and unpaid interest to, but excluding, the redemption date and any additional amounts.

See “Description of the Notes and Guarantees—Optional Redemption” in this Offering Memorandum.

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Change of Control Triggering Event ..... | Unless the series of Notes is otherwise subject to redemption as described herein and the Issuer has elected to exercise its rights to redeem such series of Notes, the Issuer will be required to offer to repurchase each series of Notes upon a Change of Control Triggering Event as described under “Description of the Notes and Guarantees—Offer to Repurchase Upon Change of Control Triggering Event.” |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment of Additional Amounts ..... | All payments by the Issuer or the Guarantor of principal of, and premium (if any) and interest on or in respect of the Notes or under the Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges imposed or levied by any jurisdiction in which the Issuer or the Guarantor, as the case may be, is organized or resident for tax purposes, or any jurisdiction through which the Issuer or the Guarantor makes payments, unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. Subject to certain exceptions, in the event that any such withholding or deduction is so required, the Issuer or the Guarantor, as the case may be, will pay such additional amounts as will result in receipt by the holder of the relevant Note of such amounts as would have been received by such holder had no such withholding or deduction been required. See “Description of the Notes and Guarantees—Additional Amounts.” |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                      |                                                                                                                                                                                                                                                                                                      |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tax Redemption ..... | In the event of various tax law changes that require the Issuer or the Guarantor (as the case may be) to pay additional amounts as described under “Description of the Notes and Guarantees—Redemption for Taxation Reasons” we may call all, but not less than all, of the Notes of each series for |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                               | redemption prior to maturity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Transfer Restrictions.....                                    | The Notes and the Guarantees have not and will not be registered under the Securities Act. You may only offer or sell Notes in a transaction exempt from or not subject to the registration requirements of the Securities Act. See “Notice to Investors and Transfer Restrictions.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Use of Proceeds .....                                         | <p>We expect that the net proceeds, after deducting the Initial Purchasers’ discounts, from the sale of the Notes offered hereby will be approximately \$4.726 billion.</p> <p>We intend to lend the net proceeds of this offering to our parent company, Syngenta Treasury N.V., for onward lending by Syngenta Treasury N.V. to CNAC, in each case on economic terms substantially similar to the economic terms of the Notes offered hereby, to facilitate the refinancing of the remaining amounts drawn under the CNAC Facilities Agreement, entered into in connection with CNAC’s acquisition of Syngenta AG’s ordinary shares. It is expected that Syngenta AG will assume CNAC’s payment obligations under the loan agreement with Syngenta Treasury N.V. related to the proceeds of the Notes, such that Syngenta AG will be the obligor under such loan.</p> <p>To the extent any net proceeds remain, they will be used within the Group for general corporate purposes, but in any case outside of Switzerland, unless use in Switzerland is permitted under the Swiss taxation laws in force (from time to time) without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland. We do not intend to conduct an offering of senior unsecured notes pursuant to our Euro Medium Term Note Program or draw down under any term loan agreement concurrently with this offering.</p> <p>Certain affiliates of the Initial Purchasers are lenders or agents under the CNAC Facilities Agreement and/or under our committed, revolving, multi-currency syndicated credit facility. Proceeds of this offering are intended to be used as described above, and in such event such affiliates will receive a portion of such proceeds.</p> |
| Listing and Admission to Trading .....                        | We have applied to list the Notes on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Expected Ratings * .....                                      | Ba2 (Moody’s) / BBB- (S&P) / BBB (Fitch)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Trustee, Principal Paying Agent and<br>Calculation Agent..... | The Bank of New York Mellon, London Branch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

\* Note: a security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.



|                                                       |                                                                                                                                                                                                                                                   |                     |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| U.S. Paying Agent, Transfer Agent and Registrar ..... | The Bank of New York Mellon                                                                                                                                                                                                                       |                     |
| Governing Law .....                                   | The Indenture, the Notes and the Guarantees will be governed by the laws of the State of New York.                                                                                                                                                |                     |
| Risk Factors .....                                    | You should carefully consider all of the information in this Offering Memorandum, which includes information incorporated by reference. In particular, you should evaluate the specific factors under “Risk Factors” in this Offering Memorandum. |                     |
| CUSIP .....                                           | <u>Rule 144A</u>                                                                                                                                                                                                                                  | <u>Regulation S</u> |
| 2020 Notes:                                           | 87164K AD6                                                                                                                                                                                                                                        | N84413 CH9          |
| 2021 Notes:                                           | 87164K AE4                                                                                                                                                                                                                                        | N84413 CJ5          |
| 2023 Notes:                                           | 87164K AH7                                                                                                                                                                                                                                        | N84413 CM8          |
| 2025 Notes:                                           | 87164K AG9                                                                                                                                                                                                                                        | N84413 CL0          |
| 2028 Notes:                                           | 87164K AC8                                                                                                                                                                                                                                        | N84413 CG1          |
| 2048 Notes:                                           | 87164K AJ3                                                                                                                                                                                                                                        | N84413 CN6          |
| ISIN .....                                            |                                                                                                                                                                                                                                                   |                     |
| 2020 Notes:                                           | US87164KAD63                                                                                                                                                                                                                                      | USN84413CH93        |
| 2021 Notes:                                           | US87164KAE47                                                                                                                                                                                                                                      | USN84413CJ59        |
| 2023 Notes:                                           | US87164KAH77                                                                                                                                                                                                                                      | USN84413CM88        |
| 2025 Notes:                                           | US87164KAG94                                                                                                                                                                                                                                      | USN84413CL06        |
| 2028 Notes:                                           | US87164KAC80                                                                                                                                                                                                                                      | USN84413CG11        |
| 2048 Notes:                                           | US87164KAJ34                                                                                                                                                                                                                                      | USN84413CN61        |
| Common Code .....                                     |                                                                                                                                                                                                                                                   |                     |
| 2020 Notes:                                           | 181328991                                                                                                                                                                                                                                         | 181329017           |
| 2021 Notes:                                           | 181329025                                                                                                                                                                                                                                         | 181260475           |
| 2023 Notes:                                           | 181329033                                                                                                                                                                                                                                         | 181243341           |
| 2025 Notes:                                           | 181329041                                                                                                                                                                                                                                         | 181259752           |
| 2028 Notes:                                           | 181329050                                                                                                                                                                                                                                         | 181329068           |
| 2048 Notes:                                           | 181329076                                                                                                                                                                                                                                         | 181259299           |

## RISK FACTORS

*Investing in the Notes offered using this Offering Memorandum involves risk. You should consider carefully the risks described below before you decide to buy the Notes. If any of the following risks actually occurs, Syngenta's business, financial condition and results of operations would likely suffer. In this case, the trading price and liquidity of the Notes could decline, and you may lose all or part of your investment.*

### **Risks Relating to Syngenta's Business**

***The resources Syngenta devotes to research and development may not result in commercially viable products.***

Syngenta's success depends in part on its ability to develop new products. Research and development ("R&D") in the agribusiness industry is expensive and prolonged, and entails considerable uncertainty. The process of developing a novel crop protection product, plant variety or trait typically takes around ten years or more from discovery through testing and registration to initial product launch; this period varies considerably from product to product and country to country. Because of the stringent product performance and safety criteria applied in product development, compounds or biotechnological products currently under development may neither survive the development process nor ultimately receive the requisite regulatory approvals needed to market such products. Even when such approvals are obtained, there can be no assurance that a new product will be commercially successful. In addition, speed in discovering, developing and protecting new technologies and bringing related products to market is a significant competitive advantage and research undertaken by competitors may lead to the launch of competing or improved products. If Syngenta is unsuccessful in predicting and responding effectively to this competition, its existing, new or candidate products may become less competitive, and its operating results could be harmed.

***Syngenta may not be able to obtain or maintain the necessary regulatory approvals for some of its products, which could restrict its ability to sell those products in some markets.***

Syngenta's products must receive regulatory approval before they can be marketed, but Syngenta may not be able to obtain such approvals. In most markets, including the United States and the European Union, crop protection products must be registered after being tested for safety, efficacy and environmental impact. In most of Syngenta's principal markets, after a period of time, Syngenta must also re-register its crop protection products and show that they meet all current standards, which may have become more stringent since the prior registration. For seeds products, in the European Union, a new plant variety will be registered only after it has been shown that it is distinct, uniform, stable, and better than existing varieties. Delays in obtaining regulatory approvals to import crops grown from seed containing certain traits may influence the rate of adoption of new genetically modified products in globally traded crops.

Legislation encouraging or discouraging the planting of specific crops can also harm Syngenta's sales. In addition, Syngenta's regulatory compliance could be affected by the detection of low level presence of biotechnology traits in conventional seed or products produced from such seed. Furthermore, the detection of biotechnology traits or crop protection residue level exceedances in the country of cultivation or import may affect Syngenta's ability to supply product, could affect exports of products produced or result in crop destruction or product recalls.

Regulatory standards and trial procedures are continuously changing. Responding to these changes and meeting existing and new requirements may be costly and burdensome. In addition, changing regulatory standards may affect Syngenta's ability to maintain its products on the market.

***Economic or financial market weakness may have a material adverse effect on Syngenta's results and financial position.***

Commodity crop prices have historically been volatile and downturns in prices can indirectly affect Syngenta's results by adversely affecting the income and financial position of Syngenta's customers and of the users of Syngenta's products. This may result in reduced sales, competitive price pressure in Syngenta's markets and in slower collection of accounts receivable. A low availability of credit may also limit the amount of business Syngenta's customers and suppliers can transact with Syngenta, most notably customers and suppliers in Brazil and

other parts of Latin America, which are experiencing economic problems. These occurrences may negatively impact Syngenta's business, results of operations or cash flows. Because of the high proportion of costs which are fixed in nature, Syngenta may not be able to compensate fully for these effects in the short term through measures such as reducing expenses or raising prices.

While Syngenta views its current credit facilities and ability to access capital markets as adequate for its needs, difficulties in the banking sector in the future or illiquidity in the credit or capital markets may restrict Syngenta's ability to raise additional funds or increase the cost of such funding. A low availability of credit may also limit the amount of business Syngenta's customers and suppliers can transact with Syngenta.

Significant declines in asset prices, discount rates or changes to long-term assumptions may cause funding levels in Syngenta's externally funded defined benefit pension plans to fall below stipulated regulatory levels. This may require Syngenta to pay additional contributions to restore funding to required levels. Each of these factors may have a material adverse effect on Syngenta's results and financial position. See Notes 2 and 22 to Syngenta's consolidated financial statements on pages 31 to 33 and pages 58 to 63, respectively, of the 2017 Financial Report, incorporated by reference in this Offering Memorandum, for further information about Syngenta's defined benefit pension plans and the assumptions used to measure the related pension liabilities.

***Syngenta participates in an industry that is highly competitive and undergoing consolidation, which could increase competitive pressures.***

Syngenta faces significant competition in the markets in which it operates. In most segments of the market, the number of products available to the grower is steadily increasing as new products are introduced, although this trend can be partly offset by the withdrawal of some products because they are not re-registered or are subject to voluntary range reduction programs to reduce the range of products offered. At the same time, certain products are coming off patent and are thus available to generic manufacturers for production and commercialization. As a result, Syngenta anticipates that it will continue to face significant competitive challenges.

The agribusiness industry has a long history of consolidation, and further consolidation is ongoing and is likely to occur, such as the acquisition of Monsanto Co by Bayer AG and the proposed merger of El du Pont de Nemours & Co and The Dow Chemical Co, which may intensify competition for Syngenta. Syngenta itself has recently been acquired by ChemChina and Syngenta expects to participate in further industry consolidation. See also “—The acquisition of Syngenta by the China National Chemical Corporation could cause disruptions to Syngenta's business or business relationships, or otherwise have an adverse impact on it.” If Syngenta is not able to continue expanding its own resources either through consolidations, acquisitions, joint ventures or partnerships, its competitive position could suffer. In the future, Syngenta may not be able to find suitable companies to combine with, assets to purchase or joint venture or partnership opportunities to pursue. Even if Syngenta is able to identify desirable opportunities, it may not be able to enter into transactions on economically acceptable terms, and further strategic transactions may result in additional borrowings by Syngenta. If Syngenta does not successfully participate in continuing industry consolidation, its ability to compete successfully could be adversely affected and result in the loss of customers or an uncompetitive cost structure, which could adversely affect its sales and profitability.

***Syngenta's customers may be unable to pay their debts to Syngenta due to economic conditions.***

Normally Syngenta delivers its products against future payment. Syngenta's credit terms vary according to local market practice, with credit terms for customers typically ranging from 30 to 180 days, except for customers in some emerging markets, where credit terms may range from cash on delivery to, in certain cases, 360 days or, in exceptional cases, longer. Syngenta's customers, particularly in developing economies and in economies experiencing an economic downturn, may be exposed to business, political or financial conditions impacting their ability to pay their debts, which could adversely affect Syngenta's results. While Syngenta uses barter and other security arrangements to reduce customer credit exposure in some emerging markets, it may still be exposed to risk of material losses from its credit exposure in these markets.

***Adverse outcomes in legal proceedings could subject Syngenta to substantial damages and adversely affect Syngenta's results of operation and profitability.***

From time to time, Syngenta has been involved in lawsuits concerning intellectual property, biotechnology, torts, contracts, antitrust allegations, employment matters and other matters, as well as governmental inquiries and investigations. Syngenta cannot reliably estimate the outcomes of such matters. Pending and future lawsuits and governmental inquiries and investigations may have outcomes that may be significant to Syngenta's results of operations in the period recognized or limit Syngenta's ability to engage in its business activities.

Syngenta has been subject to a large number of lawsuits relating to its commercialization of AGRISURE VIPTERA® (MIR162) and DURACADE™ corn seeds in the United States without having obtained import approval from China for those products, including allegations that it issued misleading statements concerning the status of or timetable for approval and remains subject to a number of such lawsuits. On June 23, 2017, a jury awarded \$217.7 million to the plaintiffs in a class action trial comprising part of a multi-district litigation action in federal court in the District of Kansas. The award consisted of compensatory damages to a class of Kansas farmers for alleged economic losses arising from lower commodity corn prices alleged to have been caused by Syngenta's commercialization of AGRISURE VIPTERA® (MIR162) and DURACADE™ corn seeds in the United States without first obtaining Chinese import approval on corn produced from such seeds.

As of March 31, 2018, a total of approximately 4,474 such lawsuits had been filed against Syngenta in state and federal courts in the United States by plaintiffs relating to the commercialization of AGRISURE VIPTERA® (MIR162) and DURACADE™ corn seeds, many of which were scheduled to be tried as class actions over the next 12 months. The producer plaintiffs alleged compensatory damages on behalf of farmers nationwide in the United States in excess of \$7 billion, while most non-producer plaintiffs (including grain-handling facilities as well as exporters) have not yet submitted expert reports quantifying their alleged damages. The lawsuits also seek unspecified punitive damages.

On September 25, 2017, Syngenta entered into a settlement in principle to resolve all claims by U.S. producers, grain-handling facilities and ethanol plants relating to its commercialization of AGRISURE VIPTERA® (MIR162) and DURACADE™ corn seed in the United States without having obtained import approval from China for those products. On February 26, 2018, the parties executed a definitive agreement to reflect this settlement in principle. The settlement agreement, which also covers the \$217.7 million verdict on behalf of Kansas corn growers from June 2017, establishes a settlement fund of \$1.5 billion, payable in installments, for eligible claimants who elect to be bound by the settlement and a fund of \$10 million for administrative costs. The settlement will not bind plaintiffs that opt out of being covered by the settlement. The settlement states that it does not constitute any admission of liability or damages by Syngenta. The settlement of the producer cases does not cover claims of individual grain exporter plaintiffs such as Cargill, ADM or Louis Dreyfus. In December 2017, ADM and Syngenta reached a settlement of their Viptera litigation. Syngenta expects cash outflows of \$450 million in 2018 in connection with U.S. litigation settlements, with the balance in 2019. Syngenta intends to continue to defend itself against the claims of other plaintiffs, including other individual grain exporters and putative class actions brought by corn farmers in Canada. The outcome of each of these lawsuits is subject to uncertainty and further claims may be made. Adverse outcomes in some or all of these matters could result in material monetary outflows for Syngenta and could have a material adverse effect on the results of operation, cash flow and financial position of Syngenta, including as a result of the recognition of provisions.

In addition, product liability and personal injury claims are a commercial risk for Syngenta, particularly as it is involved in the supply of chemical products which can be harmful to humans and the environment. Courts have levied substantial damages in the United States and elsewhere against a number of companies in the agribusiness industry in past years based upon claims for injuries allegedly caused by the use of their products. Syngenta has recorded reserves for potential liabilities where it believes the liability to be probable and reasonably estimable. However, actual costs may be materially different from this estimate. The degree to which Syngenta may ultimately be responsible for the particular matters reflected in the reserve is uncertain. While a global insurance program is in place, a substantial product liability, personal injury claim or other legal proceeding that is not covered fully or at all by insurance could have a material adverse effect on Syngenta's operating results or financial condition.

For further information regarding claims against Syngenta, see Note 20 to Syngenta's consolidated financial statements on pages 55 to 57 of the 2017 Financial Report, incorporated by reference in this Offering Memorandum.

***Changes in agricultural and certain other policies of governments and international organizations may prove unfavorable.***

In many markets there are various pressures to reduce subsidies to growers, which may inhibit the growth in these markets of products used in agriculture. In addition, changes in governmental policies that impact agriculture may similarly inhibit the growth of markets for products used in agriculture. However, it is difficult to predict accurately whether, and if so when, such changes will occur. Syngenta expects that the policies of governments and international organizations will continue to affect the income available to growers to purchase products used in agriculture and, accordingly, the operating results of the agribusiness industry.

***Syngenta is subject to stringent environmental, health and safety laws, regulations and standards, which can result in compliance costs and remediation efforts that may adversely affect its operational and financial position.***

Syngenta is subject to a broad range of increasingly stringent laws, regulations and standards in all of its operational jurisdictions. This results in significant compliance costs and can expose Syngenta to legal liability. These requirements are comprehensive and cover many activities including: air emissions, waste water discharges, the use and handling of hazardous materials, waste disposal practices, the clean-up of existing environmental contamination and the use of chemicals and genetically modified seeds by growers.

Environmental and health and safety laws, regulations and standards expose Syngenta to the risk of substantial costs and liabilities, including liabilities associated with assets that have been sold and activities that have been discontinued. In addition, many of Syngenta's manufacturing sites have a long history of industrial use. As is typical for businesses like Syngenta's, soil and groundwater contamination has occurred in the past at some sites, and may be identified at other sites in the future. Disposal of waste from its business at off-site locations also exposes Syngenta to potential remediation costs. Consistent with past practice, Syngenta is continuing to monitor, investigate and remediate soil and groundwater contamination at a number of these sites. Despite its efforts to comply with environmental laws, Syngenta may face remediation liabilities and legal proceedings concerning environmental matters.

Based on information presently available, Syngenta has budgeted expenditures for environmental improvement projects and has established provisions for known environmental remediation liabilities that are probable and capable of estimation. However, it cannot predict environmental matters with certainty, and the budgeted amounts and established provisions may not be adequate for all purposes. In addition, the development or discovery of new facts, events, circumstances, changes in law or conditions, including future decisions to close plants which may trigger remediation liabilities, could result in increased costs and liabilities or prevent or restrict some of Syngenta's operations. See Notes 2 and 20 to Syngenta's consolidated financial statements on page 31 and pages 53 to 54, respectively, of the 2017 Financial Report, incorporated by reference in this Offering Memorandum, for further information about Syngenta's environmental provisions and the assumptions used to measure the liabilities.

***Efforts by Syngenta to protect its intellectual property rights or defend against claims asserting that Syngenta has infringed the intellectual property rights of others may be unsuccessful.***

Scientific and technological innovation is critical to the long-term success of Syngenta's businesses. However, third parties may challenge the measures that Syngenta takes to protect processes, compounds, organisms and methods of use through patents and other intellectual property rights and, as a result, Syngenta's products may not always have the full benefit of intellectual property rights. In addition, while Syngenta takes steps to prevent unauthorized access to and distribution of its intellectual property, it cannot ensure that unauthorized parties do not obtain access to and use such property.

In some countries the enforcement of intellectual property rights could become more challenging. In the area of plant-related inventions some governments have signaled considerations to weaken intellectual property rights and related value capture systems. These developments could adversely affect Syngenta's income from genetic technology and seeds.

Third parties may also claim that Syngenta's products violate their intellectual property rights. Defending such claims, even those without merit, could be time consuming and expensive. In addition, any such claim could also result in Syngenta having to enter into license arrangements, develop non-infringing products or engage in litigation that could be costly.

In addition, because of the rapid pace of technological change, the confidentiality of patent applications in some jurisdictions and/or the uncertainty in predicting the outcome of complex proceedings relating to ownership or protection scope of patents relating to certain emerging technologies, competitors may be issued patents unexpected by Syngenta. These patents could reduce the value of Syngenta's commercial or pipeline products or, to the extent they cover key technologies on which Syngenta has unknowingly relied, require that Syngenta seek to obtain licenses or cease using the technology, no matter how valuable to its business. Syngenta cannot assure it would be able to obtain such a license on acceptable terms.

Legislation and jurisprudence on patent protection in major markets such as the United States and the European Union is evolving and changes in laws could affect Syngenta's ability to obtain or maintain patent protection for its products.

***Problems encountered by Syngenta when implementing significant organizational changes could adversely affect Syngenta's future performance.***

Syngenta expects to continue to engage in restructuring activities to reduce operating costs, increase sales, or both. In addition, Syngenta may acquire or dispose of significant businesses, which would necessitate restructuring its operations. Syngenta may fail to adequately implement such restructuring activities in the manner contemplated, which could cause the restructuring activities to fail to achieve the desired results. Even if Syngenta does implement the restructuring activities in the manner contemplated, they may not produce the desired results. Accordingly, such restructuring activities may not reduce operating costs or increase sales, or may impact Syngenta's ability to attract and retain key talent. Failure to adequately implement significant restructuring activities could have a material adverse effect on Syngenta's business and consequently impact its financial position, results of operations and cash flows. See Note 6 to Syngenta's consolidated financial statements on pages 39 to 40 of the 2017 Financial Report, incorporated by reference in this Offering Memorandum, for information on restructuring activities currently occurring at Syngenta.

***The acquisition of Syngenta by the China National Chemical Corporation could cause disruptions to Syngenta's business or business relationships, or otherwise have an adverse impact on it.***

The acquisition of Syngenta by ChemChina could cause disruptions to Syngenta's business or business relationships, or otherwise have an adverse impact on it.

In particular:

- Syngenta's employees or potential employees may experience uncertainty about their future roles with Syngenta, which might adversely affect Syngenta's ability to retain and hire key personnel and other employees.
- Customers, suppliers or other parties with which Syngenta maintains business relationships may seek alternative relationships with third parties or seek to alter their business relationship with Syngenta.
- Certain of Syngenta AG's credit ratings have been and may in the future be subject to downgrade by the rating agencies.
- As part of the approval for the acquisition, certain regulatory authorities imposed conditions which required Syngenta to divest small parts of its existing business, including property, plant and equipment, inventories and product rights recognized as assets in the consolidated balance sheet at December 31, 2016. For example, on October 24, 2017, Syngenta and Adama announced that they had entered into a binding agreement with Nufarm to sell a portfolio of crop protection products for an agreed transaction value of \$490 million, which transaction Syngenta announced was completed on March 16, 2018. The proceeds that Syngenta obtains from the disposal of such items may not be sufficient to cover the full future value of the

divested business to Syngenta or the carrying amount of the associated assets. This could lead to Syngenta reporting reduced sales in future periods and to recognition of additional asset impairments or divestment losses in future periods. Also, in prior years, Syngenta entered into certain agreements which give the respective counterparties early termination rights on a change of control of Syngenta. Syngenta has recognized payments made under certain of these agreements as intangible assets. Exercise of termination rights on change of control could also result in Syngenta reporting reduced sales, additional asset impairments or amortization expense in future periods. Syngenta does not expect the amounts associated either with regulatory mandated divestments or counterparty termination to have a material impact on its results of operations or financial position.

***Certain of Syngenta's credit facilities contain restrictive covenants, which significantly limit its operating and financial flexibility. Failure to comply with these contractual obligations could result in material adverse consequences.***

Syngenta's credit facilities contain restrictive financial and other covenants that affect and, in some cases, significantly limit or prohibit, among other things, the manner in which we may structure or operate our business, including restrictions on mergers, restrictions on disposals and acquisitions, negative pledge covenants, restrictions on incurring financial indebtedness and restrictions on loans and guarantees, subject to agreed exceptions, including that certain of such covenants do not apply for so long as Syngenta AG maintains an investment grade credit rating from two of three specified rating agencies.

A breach of the covenants under Syngenta's credit facilities could result in an event of default, which may allow creditors to accelerate the repayment of indebtedness. In addition, the credit facilities contain cross-acceleration provisions, which are, subject to certain thresholds, triggered when any of Syngenta's other financial indebtedness is not paid when due or is declared to be, or otherwise becomes, due and payable prior to its specified maturity as a result of an event of default. Without waivers from the applicable lenders, any such default could have a material adverse effect on Syngenta's financial position and results of operations.

***Consumer and government resistance to genetically modified organisms may negatively affect Syngenta's public image and reduce sales.***

Syngenta is active in R&D in crop protection, seeds and genetically modified organisms. However, the high public profile of biotechnology and lack of consumer acceptance of products to which Syngenta has devoted substantial resources could negatively affect its public image and results. The current resistance from consumer groups, particularly in Europe, to products based on genetically modified organisms, because of concerns over their effects on food safety and the environment, may spread to and influence the acceptance of products developed through biotechnology in other regions of the world, which could limit the commercial opportunities to exploit biotechnology.

Syngenta also produces and markets crop protection chemical products, some of which are facing increasing resistance from consumer groups because of concerns over their alleged effects on food safety and the environment. These consumer groups frequently attempt to influence and in some cases litigate against governmental regulatory bodies to restrict the use of crop protection chemical products in their jurisdictions.

Actions by consumer groups and others may disrupt production and marketing of certain crop protection chemicals. In addition, some government authorities have enacted, and others in the future might enact, regulations regarding crop protection chemicals, which may delay and limit or even prohibit the sale of such products.

***Syngenta's results may be affected by climatic variations.***

The agribusiness industry is subject to seasonal and weather factors, which make its operations relatively unpredictable from period to period. The weather can affect the presence of disease and pests in the short term on a regional basis and, accordingly, can affect the demand for crop protection products and the mix of products used (positively or negatively). The weather also can affect the quality, volume and cost of seeds produced for sale. Seed yields can be higher or lower than planned and significantly higher yields could lead to Syngenta purchasing more seeds from contract growers than can be sold during the limited product life of the seeds, which could lead to inventory provisions and write-offs.

***Currency exchange rate fluctuations or commodity price changes may adversely affect Syngenta's financial results.***

Syngenta reports its results in U.S. dollars; however a substantial portion of sales and costs are denominated in currencies other than the U.S. dollar. Fluctuations in the values of these currencies, especially in the U.S. dollar against the Swiss franc, British pound, Euro and Brazilian real, can have a material impact on Syngenta's financial results. Also, an increasing amount of Syngenta's sales are in emerging markets, where currency exchange rates can be volatile and where hedging products are expensive or of limited availability. Fluctuations in these emerging market countries' exchange rates against the U.S. dollar may adversely impact Syngenta's results through recognition of currency losses. In addition, several countries in the Eurozone have been experiencing financial difficulties and/or unstable political environments. If a member state of the Eurozone were to decide to abandon the Euro as its lawful currency and introduce a new national currency Syngenta could incur losses upon the lawful conversion to the new national currency of amounts receivable from customers in the member state that were originally denominated in Euros.

Syngenta is impacted indirectly, through its purchases of raw materials, by fluctuations in oil prices and directly by fluctuations in crop prices, where Syngenta purchases seeds from contract growers. Syngenta generally seeks to pass through in its sales prices the impact of increases in these commodity prices. However, the risk exists that future commodity price increases may not be able to be passed through in sales prices in this manner, which would reduce profit margin and could have a material adverse effect on Syngenta's results of operations, financial position and cash flows.

Hedging, even where possible at an economic cost, is generally only able to delay the impact of currency exchange rate fluctuations or commodity price changes.

***Syngenta maintains a single supplier for some raw materials, which may affect its ability to obtain sufficient amounts of those materials.***

While Syngenta generally maintains multiple sources of supply and obtains supplies of raw materials from a number of countries, there are a number of instances where Syngenta has entered into single-source supply contracts or where Syngenta routinely makes spot purchases from a single supplier in respect of active ingredients, intermediates or raw materials for certain important products. These instances occur where there is sufficient commercial benefit and security of supply can be assured, or where there is no viable alternative source of supply. Such single supplier arrangements accounted for approximately 27% of Syngenta's purchases in 2017 of active ingredients, intermediates and raw materials used in crop protection products, as determined by cost. Syngenta's ability to obtain sufficient amounts of those materials may be adversely affected by the unforeseen loss of a supplier or from a supplier's inability to meet its supply obligations. The percentage of single supplier arrangements could increase in the future if consolidation were to occur among multiple supply sources.

Syngenta also has contracts with a number of suppliers for services, including information technology, facilities and fleet management, telecommunications and finance transaction processing. Although Syngenta limits major contracts only to large global suppliers providing such services as part of their core business and having a significant portfolio of clients receiving similar services, the sudden failure by one of these service providers to meet its obligations could prove disruptive to normal operations for a protracted period and adversely impact Syngenta's financial results.

***Syngenta conducts business in most countries of the world, including in certain high-risk countries, some of which have been identified by the U.S. government as state sponsors of terrorism.***

Syngenta conducts business in most countries of the world, some of which are subject to a high level of political or economic instability that could impact Syngenta's ability to continue to operate there. Acts of terror or war may impede Syngenta's ability to operate in particular countries or regions, and may impede the flow of goods and services between countries. Sanctions could be imposed by the U.S. or other nations on countries deemed to be in violation of international protocols, which could impact Syngenta's business operations in the sanctioned countries.

In addition, Syngenta has minor operations in Iran and Sudan, which currently are identified by the U.S. government as state sponsors of terrorism. Syngenta's operations in these countries are quantitatively immaterial,



and it is Syngenta's belief that supporting agriculture in these countries is beneficial to their wider population, for whom food is often in short supply. However, certain investors may choose not to hold investments in companies that have operations of any size in these countries and several U.S. states have enacted, and others may in the future enact, legislation requiring public entities with investments in companies with operations in these countries to disclose this fact or in some cases to divest these investments.

***The vote in the U.K. to exit the European Union could adversely affect Syngenta.***

Sales in the U.K. are not a significant percentage of total Syngenta sales, but Syngenta houses large research and manufacturing sites in the U.K. and accordingly has a large exposure to the British pound sterling. On June 23, 2016, voters in the U.K. voted in favor of exiting the European Union in a national referendum, following which the British pound sterling depreciated against most major currencies. At this time, Syngenta is not able to predict the impact that this vote will have on the economy in Europe, including in the U.K., or on the British pound sterling or other European exchange rates. Weakening of economic conditions or economic uncertainties tend to harm Syngenta's business, and if such conditions emerge in the U.K. or in the rest of Europe, they may have a material adverse effect on Syngenta's results of operations, financial position and cash flows from the Europe, Africa and Middle East region.

***Natural disasters could adversely affect Syngenta's business.***

Natural disasters could affect Syngenta's or its suppliers' manufacturing and production facilities, which could affect Syngenta's costs or ability to meet supply requirements. Natural disasters could also affect Syngenta's customers, which could affect Syngenta's sales, cost of goods sold or its ability to collect receivables due from customers. Syngenta's corporate headquarters and other facilities are located near an earthquake fault line in Basel, Switzerland. Additionally, some of Syngenta's other significant facilities are located in areas where earthquakes, hurricanes or flooding are possible. The occurrence of a major earthquake, hurricane or flood at one of Syngenta's facilities could result in loss of life, destruction of facilities and/or business interruption which could have a material adverse effect on Syngenta's business. In addition, the occurrence of a pandemic in locations where Syngenta has significant operations or sales also could have a material adverse effect on Syngenta's results of operations, financial position and cash flows.

***An increase in Syngenta's group tax rate could occur, which would adversely affect its financial results.***

The effective tax rate on Syngenta's earnings depends largely on the mix of business activities and consequent taxable profit in countries in which Syngenta operates. Syngenta benefits from the fact that a portion of its earnings is taxed at more favorable rates in some jurisdictions outside Switzerland. Future changes in the mix of business activities, or in tax laws or their application with respect to matters such as transfer pricing, intra-group dividends, controlled companies or a restriction in tax relief allowed on the interest on intra-group debt, could increase Syngenta's effective tax rate and adversely affect its financial results. Governments following the release of OECD catalogue of recommended actions under the BEPS initiative (Base Erosion and Profit Shifting) are expected to increasingly require companies to provide greater transparency on the allocation of taxable profits, including the ongoing development of a new multilateral standard on automatic exchange of information. These developments may lead governments to restrict or disallow currently legitimate and accepted tax planning strategies and may result in an increase in Syngenta AG's effective tax rate. Also, the Swiss Federal government had proposed changes to align Swiss corporate taxation with international recommendations but voters in Switzerland voted against those proposals in a national referendum on February 12, 2017. As a result, uncertainty will continue about the future level of Swiss corporate income taxes that may apply to Syngenta AG until revised proposals are put forward and gain acceptance. Syngenta has several open tax years in many jurisdictions, where tax calculations and payments may be subject to adjustment.

***Significant breaches of data security or disruptions of information technology systems could adversely affect Syngenta's business.***

Syngenta's business is increasingly dependent on critical, complex and interdependent information technology systems, including Internet-based systems, to support business processes as well as internal and external communications. The size and complexity of Syngenta's computer systems make them potentially vulnerable to data security breaches, whether by employees or others, which may result in unauthorized persons getting access to

sensitive data. Such data security breaches could lead to the loss of trade secrets or other intellectual property. In addition, Syngenta's systems are potentially vulnerable to breakdown, malicious intrusion and computer viruses, which could disrupt production, order processing and shipping, cash receipts and disbursement processes, accounting and reporting processes, or other key business processes. Like most major corporations, Syngenta is the target of cyber-attacks from time to time. To date, Syngenta has not experienced any material financial impact, changes in the competitive environment or business operations that it attributes to these attacks.

Although Syngenta's management does not believe that Syngenta has experienced any material losses to date related to security breaches, including cybersecurity incidents, there can be no assurance that it will not suffer such losses in the future. Syngenta actively manages the risks within its control that could lead to business disruptions and security breaches. As these threats continue to evolve, particularly around cybersecurity, Syngenta may be required to expend significant resources to enhance its control environment, processes, practices and other protective measures. Despite these efforts, such events and a loss of trade secrets or other intellectual property, or systems-related disruption could have a material adverse effect on Syngenta's business, financial position, results of operations or cash flows.

***Syngenta's balance sheet includes significant goodwill and intangible assets, the impairment of which could affect its future operating results.***

Syngenta carries significant goodwill and intangible assets on its balance sheet. As of December 31, 2017, Syngenta's goodwill and other intangible assets totaled approximately \$1.659 billion and \$1.314 billion, respectively. Syngenta may also recognize additional goodwill in connection with future business acquisitions and additional intangible assets. Goodwill is not amortized, but is tested annually for impairment using a value-in-use approach and is also reviewed at each interim and annual reporting date to determine whether conditions changed since the most recent review or annual test. The identification and measurement of impairment involves the estimation of the value-in-use of the relevant operating segment, cash generating unit or group of cash generating units, which requires judgment and involves the use of significant estimates and assumptions by management. The estimates of value-in-use are based on the best information available as of the date of the assessment and incorporate management assumptions about expected future cash flows and contemplate other valuation techniques. Syngenta's estimates of future cash flows may differ from actual cash flows that are subsequently realized due to many factors, including future worldwide economic conditions and the expected benefits of its initiatives, among other things. Intangible assets are amortized for book purposes over their respective useful lives and are tested for impairment if any event occurs or circumstances change that indicates that carrying value may not be recoverable. Upon completing its testing for 2017, which included subjecting the assumptions used in the testing to a sensitivity analysis, Syngenta recorded impairments of intangible assets totaling \$5 million. Otherwise, Syngenta has concluded that no material intangible assets were impaired at December 31, 2017. Although Syngenta currently does not expect that its goodwill and intangible assets will be further impaired, it cannot guarantee that a material impairment will not occur, particularly in the event of a substantial deterioration in Syngenta's future prospects either in total or in a particular reporting unit. See Note 2 to Syngenta's consolidated financial statements on pages 30 to 31 of the 2017 Financial Report, incorporated by reference in this Offering Memorandum. If Syngenta's goodwill and intangible assets become impaired, it could have a material adverse effect on Syngenta's financial condition and results of operations.

***Syngenta has in the past and may in the future make acquisitions, ventures and strategic investments, some of which may be significant in size and scope, which have involved in the past and will likely involve in the future numerous risks. Syngenta may not be able to address these risks without substantial expense, delay or other operational or financial problems.***

Syngenta has made and may in the future make acquisitions of, or investments in, businesses or companies (including strategic partnerships with other companies). Acquisitions or investments have involved in the past and will likely involve in the future various risks, such as:

- integrating the operations and personnel of any acquired business;
- the potential disruption of Syngenta's ongoing business, including the diversion of management attention;

- the possible inability to obtain the desired financial and strategic benefits from the acquisition or investment;
- customer attrition arising from preferences to maintain redundant sources of supply;
- supplier attrition arising from overlapping or competitive products;
- assumption of contingent or unanticipated liabilities or regulatory liabilities;
- dependence on the retention and performance of existing management and work force of acquired businesses for the future performance of these businesses;
- regulatory risks associated with acquired businesses (including the risk that we may be required for regulatory reasons to dispose of a portion of Syngenta's existing or acquired businesses); and
- the risks inherent in entering geographic or product markets in which we have limited prior experience.

Future acquisitions and investments may need to be financed in part through additional financing from banks, through public offerings or private placements of debt or equity securities or through other arrangements, and could result in substantial cash expenditures. The necessary acquisition financing may not be available to Syngenta on acceptable terms if and when required, particularly because Syngenta's current high leverage may make it difficult or impossible for us to secure additional financing for acquisitions.

To the extent that we make acquisitions that result in Syngenta recording significant goodwill or other intangible assets, the requirement to review goodwill and other intangible assets for impairment periodically may result in impairments that could have a material adverse effect on Syngenta's financial condition and results of operations.

***In connection with acquisitions, ventures or divestitures, Syngenta may become subject to liabilities.***

In connection with any acquisitions or ventures, Syngenta may acquire liabilities or defects such as legal claims, including but not limited to third-party liability and other tort claims; claims for breach of contract; employment-related claims; environmental liabilities, conditions or damage; permitting, regulatory or other compliance with law issues; hazardous materials or liability for hazardous materials; or tax liabilities. If Syngenta acquires any of these liabilities, and they are not adequately covered by insurance or an enforceable indemnity or similar agreement from a creditworthy counterparty, it may be responsible for significant out-of-pocket expenditures. In connection with any divestitures, Syngenta may incur liabilities for breaches of representations and warranties or failure to comply with operating covenants under any agreement for a divestiture. In addition, Syngenta may indemnify a counterparty in a divestiture for certain liabilities of the subsidiary or operations subject to the divestiture transaction. These liabilities, if they materialize, could have a material adverse effect on Syngenta's business, financial condition and results of operations.

***Syngenta's business exposes it to significant risks associated with hazardous materials and related activities, not all of which are covered by insurance.***

Because Syngenta is engaged in the blending, managing, handling, storing, selling, transporting and disposing of chemicals, chemical waste products and other hazardous materials, product liability, health impacts, fire damage, safety and environmental risks are significant concerns for Syngenta. Syngenta maintains substantial provisions relating to remediation activities at its owned sites and third-party sites which are subject to regulatory clean-up requirements. Syngenta is also subject in the U.S. to federal legislation enforced by the Occupational Safety and Health Administration, or OSHA, as well as to state safety and health laws. Syngenta is also exposed to present and future chemical exposure claims by employees, contractors on Syngenta's premises, other persons located nearby, as well as related workers' compensation claims. Syngenta maintains general liability insurance, including product liability insurance, covering claims on a worldwide basis with coverage limits and retention amounts which management believes to be adequate and appropriate in relation to Syngenta's businesses and the risks to which it is subject. Syngenta does not insure against all risks and may not be able to insure adequately against certain risks (whether relating to Syngenta's or a third party's activities or other matters) and may not have insurance coverage

that will pay any particular claim. Syngenta also may be unable to obtain at commercially reasonable rates in the future adequate insurance coverage for the risks it currently insures against, and certain risks are or could become completely uninsurable or eligible for coverage only to a reduced extent. In particular, more stringent environmental, health or safety regulations may increase Syngenta's costs for, or impact the availability of, insurance against accident-related risks and the risks of environmental damage or pollution. Syngenta's business, financial condition and results of operations could be materially impaired by accidents and other environmental risks that substantially reduce Syngenta's revenues, increase its costs or subject it to other liabilities in excess of available insurance.

***Accidents, safety failures, environmental damage, product quality issues, major or systemic delivery failures involving Syngenta's distribution network or the products it carries, or adverse health effects or other harm related to hazardous materials Syngenta blends, manages, handles, stores, sells, transports or disposes of could damage its reputation and result in substantial damages or remedial obligations.***

Syngenta's business depends to a significant extent on its customers' and producers' trust in its reputation for reliability, quality, safety and environmental responsibility. Actual or alleged instances of safety deficiencies, mistaken or incorrect deliveries, inferior product quality, exposure to hazardous materials resulting in illness, injury or other harm to persons, property or natural resources, or of damage caused by Syngenta or its products, could damage its reputation and lead to customers and producers curtailing the volume of business they do with it. Also, there may be safety, personal injury or other environmental risks related to Syngenta's products which are not known today. Any of these events, outcomes or allegations could also subject Syngenta to substantial legal claims, and it could incur substantial expenses, including legal fees and other costs, in defending such legal claims which could materially impact Syngenta's financial position and results of operations.

Actual or alleged accidents or other incidents at Syngenta's facilities or that otherwise involve its personnel or operations could also subject it to claims for damages by third parties. Because many of the chemicals that Syngenta handles are dangerous, it is subject to the ongoing risk of hazards, including leaks, spills, releases, explosions and fires, which may cause property damage, illness, physical injury or death. If any such events occur, whether through Syngenta's own fault, through preexisting conditions at its facilities, through the fault of a third party or through a natural disaster, terrorist incident or other event outside Syngenta's control, Syngenta's reputation could be damaged significantly. As a result of environmental or other laws or by court order, Syngenta could also become responsible for substantial monetary damages or expensive investigative or remedial obligations related to such events, including but not limited to those resulting from third-party lawsuits or environmental investigation and clean-up obligations on and off-site. The amount of any costs, including fines, damages and/or investigative and remedial obligations, that Syngenta may become obligated to pay under such circumstances could substantially exceed any insurance it has to cover such losses.

If any of these risks materialize, they could significantly harm Syngenta's reputation, expose it to substantial liabilities and have a material adverse effect on its business, financial condition and results of operations.

***Syngenta's business is subject to additional general regulatory requirements and tax requirements which increase its cost of doing business, could result in regulatory or tax claims, and could restrict its business in the future.***

Syngenta's general business operations are subject to a broad spectrum of general regulatory requirements, including antitrust regulations, food and drug regulations, human resources regulations, tax regulations, unclaimed property, banking and treasury regulations, among others. These regulations add cost to Syngenta's conduct of business and could, in some instances, result in claims or enforcement actions or could reduce Syngenta's ability to pursue business opportunities. Future changes could impose additional costs and restrictions on Syngenta's business activities.

***Syngenta requires significant working capital, and expects its working capital needs to increase in the future, which could result in having less cash available for, among other things, capital expenditures and acquisition financing.***

Syngenta requires significant working capital to purchase chemicals from chemical producers and distributors and sell those chemicals efficiently and profitably to its customers. Syngenta's working capital needs also increase at

certain times of the year, as its customers' requirements for chemicals increase. For example, Syngenta's customers in the agricultural sector require significant deliveries of chemicals within a growing season that can be very short and depend on weather patterns in a given year. Syngenta needs inventory on hand to have product available to ensure timely delivery to its customers. If Syngenta's working capital requirements increase and Syngenta is unable to finance its working capital on terms and conditions acceptable to it, Syngenta may not be able to obtain chemicals to respond to customer demand, which could result in a loss of sales.

In addition, the amount of working capital Syngenta requires to run its business is expected to increase in the future due to expansions in its business activities. If Syngenta's working capital needs increase, the amount of free cash it has at its disposal to devote to other uses will decrease. A decrease in free cash could, among other things, limit Syngenta's flexibility, including its ability to make capital expenditures and to acquire suitable acquisition targets that it has identified. If increases in Syngenta's working capital occur and have the effect of decreasing free cash, it could have a material adverse effect on Syngenta's business, financial condition and results of operations.

***Syngenta depends on a limited number of key personnel who would be difficult to replace. If Syngenta loses the services of these individuals, or is unable to attract new talent, its business will be adversely affected.***

Syngenta depends upon the ability and experience of a number of its executive management and other key personnel who have substantial experience with its operations, the chemicals and chemical distribution industries and the selected markets in which it operates. The loss of the services of one or a combination of Syngenta's senior executives or key employees could have a material adverse effect on its results of operations. Syngenta's business might be further adversely impacted if any of its senior executives or key employees is hired by a competitor. Syngenta's success also depends on its ability to continue to attract, manage and retain other qualified management and technical and clerical personnel as it grows. Syngenta may not be able to continue to attract or retain such personnel in the future.

#### **Risks Relating to the Notes and the Guarantees**

***Because Syngenta AG is a holding company and conducts substantially all of its operations through subsidiaries, your right to receive payments under the Guarantees is structurally subordinated to the liabilities of Syngenta AG's subsidiaries.***

Syngenta AG is organized as a holding company and substantially all of its operations are carried on through subsidiaries. The ability of Syngenta AG to meet its financial obligations is dependent upon the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances, management fees and other payments.

The Notes we are offering are obligations of Syngenta Finance and are guaranteed only by Syngenta AG. The subsidiaries of Syngenta AG are separate and distinct legal entities, and have no obligation to pay any amounts due on the Guarantees or to provide Syngenta AG with funds for its payment obligations. Syngenta AG's right to receive any assets of any of its subsidiaries, as an equity holder of such subsidiaries, upon their liquidation or reorganization, and therefore the right of the holders of the Notes to participate in those assets through the Guarantees, will be structurally subordinated to the claims of that subsidiary's creditors. The Guarantees do not restrict the ability of Syngenta AG's subsidiaries to incur additional indebtedness or other liabilities. Even if Syngenta AG were a creditor of any of its subsidiaries, its rights as a creditor would be subordinate to any security interest in the assets of its subsidiaries and any indebtedness of its subsidiaries senior to that held by it.

***The Issuer is a finance vehicle, with no independent business operations.***

The Issuer is a finance vehicle, the primary business of which is the raising of money for the purpose of on-lending to other members of the Group. Accordingly, substantially all of the assets of the Issuer are loans and advances made to other members of the Group. The ability of the Issuer to satisfy its obligations in respect of the Notes depends upon payments being made to it by other members of the Group in respect of loans and advances made by the Issuer.

The Issuer intends to lend the net proceeds of this offering to its parent company, Syngenta Treasury N.V., for onward lending to CNAC, in each case on economic terms substantially similar to the economic terms of the Notes

offered hereby, to facilitate the refinancing of the remaining portion of the amounts drawn under the CNAC Facilities Agreement, entered into in connection with CNAC's acquisition of Syngenta AG's ordinary shares. Syngenta Treasury N.V. is also a finance vehicle without operating activities or operating cash flows. It is expected that Syngenta AG will assume CNAC's payment obligations under the loan agreement with Syngenta Treasury N.V. related to the proceeds of the Notes by way of a non-cash dividend, such that Syngenta AG will be the obligor under such loan agreement with Syngenta Treasury N.V. and, accordingly, the Issuer's ability to fund its obligations on the Notes will depend on Syngenta AG and Syngenta Treasury N.V., respectively, making payments in respect of their respective loan proceeds.

***Your rights under the Notes and the Guarantees may be limited by laws in various jurisdictions, including fraudulent conveyance and insolvency laws.***

The Notes will be issued by Syngenta Finance N.V., a Dutch public company with limited liability, and guaranteed by Syngenta AG, a Swiss stock corporation. The issuance of the Notes and related Guarantees may be subject to review under federal, state and foreign fraudulent transfer and conveyance statutes. In Switzerland, certain arrangements or dispositions that are made during a certain period (the "suspect period") preceding the declaration of bankruptcy or the grant of a moratorium in connection with a composition proceeding may be challenged by the receiver in bankruptcy (*Konkursverwaltung*) and certain creditors under the applicable rules of avoidance. The avoidance may relate to (i) gifts and gratuitous transactions made in the suspect period of 12 months prior to the declaration of bankruptcy or the grant of a moratorium, (ii) certain acts of a debtor in the suspect period of 12 months prior to the declaration of bankruptcy or the grant of a moratorium if the debtor at that time was overindebted, and (iii) dispositions made by the debtor within a suspect period of five years prior to the declaration of bankruptcy or the grant of a moratorium with the intent to disadvantage its creditors or to prefer certain of its creditors to the detriment of other creditors. The transactions potentially subject to avoidance also include the Guarantees. If they are challenged successfully, the rights granted under the Guarantees may become unenforceable and any amounts received must be refunded to the insolvency estate.

As a rule, the opening of bankruptcy by the competent Swiss court needs to be preceded by a prior debt enforcement procedure which involves, among other things, the issuance of a payment summons by local debt enforcement authorities (*Betreibungsamt*). However, the competent court may also declare a debtor bankrupt without prior debt enforcement proceedings if the following requirements are met: (i) at the request of the debtor if the debtor's board of directors or the auditors of the company (in case of failure of the board of directors) declare that the debtor is overindebted (*überschuldet*) within the meaning of art. 725 (2) of the Swiss Code of Obligations or if the debtor declares to be insolvent (*zahlungsunfähig*), or (ii) at the request of a creditor if the debtor commits certain acts to the detriment of its creditors or ceases to make payments (*Zahlungseinstellung*) or if certain events happen during composition proceedings. The bankruptcy proceedings are carried out and the bankruptcy estate is managed by the receiver in bankruptcy (*Konkursverwaltung*).

If the Guarantees were legally challenged, any Guarantee could also be subject to the claim that, because the Guarantees were incurred for the Issuer's benefit, and only indirectly for the benefit of the Guarantor, the obligations of the Guarantor were incurred for less than fair consideration. A court could thus void the obligations under the Guarantees, subordinate them to the Guarantor's other debt or take other action detrimental to the holders of the Notes.

The Indenture will limit the obligations of the Guarantor under its Guarantees to the maximum amount that would be enforceable under applicable law in order to avoid invalidation of the Guarantees. However, we cannot assure you that a court would give effect to such provisions.

***Because the Notes are unsecured, your right to receive payments may be adversely affected.***

The Notes that we are offering will be unsecured. The Notes are not subordinated to any of the Issuer's or the Guarantor's other debt obligations and, therefore, they will rank equally with all of the Issuer's and the Guarantor's other unsecured and unsubordinated indebtedness. As of December 31, 2017, neither the Issuer nor the Guarantor had any secured indebtedness outstanding. Certain subsidiaries of the Guarantor are party to customary receivables factoring arrangements and, for certain derivative positions, the Guarantor has entered into credit support annex contracts ("CSAs") under which, when the combined market value of the derivatives plus previously posted collaterals exceeds \$1 million per counterparty, cash is exchanged as collateral. In the event of bankruptcy,

liquidation or reorganization of the Issuer or the Guarantor, if the Issuer defaults on the Notes or the Guarantor defaults on the Guarantees, then, to the extent that the Issuer or the Guarantor has granted security over its assets, the assets that secure any debt will be used to satisfy the obligations under that secured debt before the Issuer or the Guarantor could make payment on the Notes or the Guarantees, respectively. If there is not enough collateral to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally with all unsubordinated unsecured indebtedness, including the Notes and the Guarantees.

***Changes in the Group's credit ratings could adversely affect the value of the Notes.***

Any of the rating agencies that rate the debt of the Group has the ability to lower the ratings assigned to that debt as a result of its views about the Group's current or future business, financial condition, results of operations or other matters. Any ratings decline could adversely affect the value of the Notes. In addition, the credit ratings ascribed to the Group and the Notes are intended to reflect our ability to meet repayment obligations in respect of the Notes and the Guarantees, and may not reflect the potential impact of all risks related to the structure, the market, the Group and other factors on the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

***Should Syngenta Finance default on its Notes, or should Syngenta AG default on the Guarantees, your right to receive payments on the Notes or Guarantees may be adversely affected by applicable insolvency laws.***

Syngenta AG is incorporated under the laws of Switzerland and Syngenta Finance is incorporated under the laws of The Netherlands. Accordingly, insolvency proceedings with respect to Syngenta AG are likely to proceed under, and be governed by, Swiss insolvency law and insolvency proceedings with respect to Syngenta Finance are likely to proceed under, and be governed by, Dutch insolvency law. The procedural and substantive provisions of such insolvency laws are generally more favorable to secured creditors than comparable provisions of U.S. law. These provisions afford debtors and unsecured creditors only limited protection from the claims of secured creditors and it will generally not be possible for Syngenta AG or Syngenta Finance or unsecured creditors (including holders of the Notes) to prevent or delay the secured creditors from enforcing their security to repay the debts due to them under the terms that such security was granted.

***Enforcement claims or court judgments against Syngenta AG must be converted into Swiss francs.***

Enforcement claims or court judgments against Syngenta AG under Swiss debt collection or bankruptcy proceedings may be made only in Swiss francs and any foreign currency amounts must accordingly be converted into Swiss francs. With respect to enforcing creditors (including holders of the Notes), any such foreign currency amounts will be converted at the exchange rate prevailing on (i) the date of instituting the enforcement proceedings (*Betreibungsbegehren*), (ii) the date of the filing for the continuation of the bankruptcy procedure (*Fortsetzungsbegehren*) or (iii) the date on which any amounts claimed first became due and payable (*Verfallzeit*), whichever date is more favorable for the creditors. With respect to non-enforcing creditors, foreign currency amounts will be converted at the exchange rate prevailing at the time of the adjudication of bankruptcy (*Konkurseröffnung*).

***We may incur substantially more debt in the future.***

We may incur substantial additional indebtedness in the future. There is no restriction on the amount of debt the Issuer may issue or on the amount of debt or guarantees the Guarantor may issue. Any such incurrence of additional indebtedness could exacerbate the risks that holders of the Notes will face.

***The Notes are subject to transfer restrictions.***

We have neither registered the Notes under the Securities Act nor registered the Notes for public offerings outside the United States. The Notes may not be offered or sold in the United States, unless they are registered or pursuant to an exemption from registration under the Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. See "Notice to Investors and Transfer Restrictions."

The Notes are a new issue of securities and there is no established trading market for any series of the Notes. There can be no assurance that an active trading market will develop for any series of the Notes. There can also be no assurance regarding the ability of holders of Notes to sell their Notes or the price at which such holders may be able to sell their Notes. If a trading market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price and this may result in a return that is greater or less than the interest rate on the applicable series of Notes, in each case depending on many factors, including, among other things, prevailing interest rates, Syngenta AG's financial results, any decline in Syngenta AG's credit-worthiness and the market for similar securities.

Any underwriters, broker-dealers or agents that participate in the distribution of the Notes may make a market in the Notes as permitted by applicable laws and regulations but will have no obligation to do so, and any such market-making activities may be discontinued at any time.

Therefore, there can be no assurance as to the liquidity of any trading market for the Notes or that an active public market for the Notes will develop.

***General market conditions and other factors could adversely affect market prices for the Notes.***

Market prices for the Notes can be expected to vary with changes in market and economic conditions, including prevailing interest rates and the market for similar securities, our financial condition and prospects, changes in our credit ratings (whether real or anticipated) and other factors that generally influence the market prices of securities. As a result, the Notes could trade at prices that may be lower than the initial offering price.

***The limited covenants in the Indenture governing the Notes will not provide protection against significant events that could adversely impact your investment in the Notes.***

The Indenture governing the Notes contains limited covenants, including those restricting the Issuer, the Guarantor and certain of the Guarantor's subsidiaries' ability to incur certain liens and the Issuer and the Guarantor's ability to consolidate, merge with, or convey, transfer or lease substantially all of their assets to, another person. These covenants are subject to important exceptions and qualifications. See "Description of the Notes and Guarantees—Restrictions on Liens" and "Description of the Notes and Guarantees—Consolidation, Merger and Sale of Assets." The Indenture governing the Notes does not:

- require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity;
- limit our ability to incur additional indebtedness;
- restrict our ability to repurchase or prepay our securities;
- restrict our ability to engage in transactions with affiliates; or
- make other payments in respect of our common stock or other securities ranking junior to the Notes.

As a result of the foregoing, when evaluating the terms of the Notes, you should be aware that the terms of the Indenture and the Notes will not restrict our ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances and events that could have an adverse impact on your investment in the Notes.



## **STABILIZATION**

In connection with the offering of the Notes, BNP Paribas Securities Corp., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, HSBC Securities (USA) Inc., MUFG Securities Americas Inc. and Santander Investment Securities Inc. (collectively, the “Stabilizing Managers”) (or persons acting on behalf of the Stabilizing Managers) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Managers (or persons acting on behalf of the Stabilizing Managers) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the final terms of the offering of the Notes is made and, if begun, may end at any time, but it must end no later than 30 days after the date on which the Issuer receives the proceeds of the offering, or no later than 60 days after the date of the allotment of the Notes, whichever is the earlier. Any stabilization action or over-allotment must be conducted by the Stabilizing Managers (or persons acting on behalf of the Stabilizing Managers) in accordance with all applicable laws and rules.

## FORWARD-LOOKING STATEMENTS

In order to utilize the “Safe Harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995, the Guarantor is providing the following cautionary statement.

Any statements contained in this Offering Memorandum, which includes the documents incorporated by reference, that are not historical facts, including, without limitation, statements regarding Syngenta management’s expectations, targets or intentions, including for sales, earnings and earnings per share, constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and are based on the current expectations and estimates of Syngenta’s management. Investors are cautioned that such forward-looking statements involve risks and uncertainties, and that actual results may differ materially. Syngenta identifies the forward-looking statements in this Offering Memorandum by using the words “expect,” “would,” “will,” “potential,” “plans,” “prospects,” “anticipates,” “estimated,” “believes,” “intends,” “aiming,” “on track,” or similar expressions, or the negative of these expressions. Syngenta cannot guarantee that any of the events or trends anticipated by the forward-looking statements will actually occur. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things:

- the risk that R&D will not yield new products that achieve commercial success;
- the risk that Syngenta will not be able to obtain or maintain the necessary regulatory approvals for its business;
- the risk that economic and/or financial market weakness may have a material adverse effect on Syngenta’s results and financial position;
- the risks associated with increasing competition in the industry;
- the risk that customers will be unable to pay their debts to Syngenta due to economic conditions;
- the risks associated with adverse outcomes in legal proceedings, product liability and personal injury claims;
- the risks associated with potential changes in policies of governments and international organizations;
- the risks associated with exposure to liabilities resulting from environmental and health and safety laws;
- the risk that important patents and other intellectual property rights may be challenged or used by other parties;
- the risk that Syngenta may encounter problems when implementing significant organizational changes;
- the risk that disruptions to Syngenta’s business or business relationships could result from the ChemChina acquisition;
- restrictions on operating and financial flexibility imposed by Syngenta’s credit facilities;
- the risk that the value of Syngenta’s intangible assets may become impaired;
- the risk that consumer resistance to genetically modified crops and organisms or crop protection chemicals may negatively impact sales;
- the risks associated with climatic variations;
- the risks associated with exposure to fluctuations in foreign currency exchange rates or commodity prices;

- the risks associated with entering into single-source supply arrangements;
- the risks associated with conducting operations in certain territories that have been identified by the U.S. government as state sponsors of terrorism;
- the risks associated with the U.K.'s exit from the European Union;
- the risks associated with natural disasters;
- the risk that Syngenta's effective tax rate may increase;
- the risk of significant breaches of data security or disruptions of information technology systems.
- the risk of impairments of intangible assets and goodwill;
- the risks associated with acquisitions, ventures or divestitures;
- the risks associated with hazardous materials;
- the risks associated with accidents, safety failures, environmental damage, product quality issues, major or systemic delivery failures involving Syngenta's network;
- the risks associated with compliance with regulatory requirements and tax requirements;
- the risks associated with significant working capital requirements;
- the risks associated with reliance on key personnel;
- the risks related to the Notes and the Guarantees;
- the risks that Syngenta now considers immaterial, but that in the future prove to become material; and
- other risks and uncertainties that are not known to Syngenta or are difficult to predict.

All oral and written forward-looking statements made on or after the date of this Offering Memorandum and attributable to the Guarantor are expressly qualified in their entirety by the above factors and the section "Risk Factors" in this Offering Memorandum. Any forward-looking statements made by or on behalf of Guarantor speak only as of the date they are made. Neither the Issuer nor the Guarantor undertakes to update forward-looking statements to reflect any changes in expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

## **WHERE YOU CAN FIND MORE INFORMATION ABOUT SYNGENTA**

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act. On January 8, 2018, Syngenta AG filed for voluntary de-listing of its ADSs from the New York Stock Exchange, which became effective on January 18, 2018. Syngenta AG filed for deregistration of its securities from the SEC on January 19, 2018, suspending its reporting obligations under the Exchange Act accordingly. You may read and copy any documents we previously filed with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public through the SEC's website at <http://www.sec.gov>.

Certain documents referenced in this Offering Memorandum are available on Syngenta AG's website, <http://www.syngenta.com/>. Information on or accessible through Syngenta AG's website, other than the documents specifically incorporated by reference below in this Offering Memorandum, does not form part of and is not incorporated into this Offering Memorandum. References in this Offering Memorandum to other documents on Syngenta AG's website are included only as an aid to their location.

In addition, for so long as any Notes remain outstanding, Syngenta AG will furnish to holders of the Notes and prospective purchasers thereof upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the Notes.

## INCORPORATION BY REFERENCE

We are incorporating by reference certain information into this Offering Memorandum. This means that we can disclose important information to you by referring you to another document. The following documents which have previously been or are published simultaneously with this Offering Memorandum and have been filed with the CSSF shall be deemed to be incorporated in, and to form part of, this Offering Memorandum:

- Syngenta AG Group consolidated financial statements as of December 31, 2016 and 2015, and for each of the years in the three-year period ended December 31, 2016 on pages F-2 through F-68 of Syngenta AG's annual report on Form 20-F, filed with the SEC on February 16, 2017 (the "2016 Form 20-F"); and
- Syngenta AG Group consolidated financial statements as of and for the year ended December 31, 2017 on pages 22 through 91 in Syngenta AG's Financial Report for 2017, published under the "Investors" tab on Syngenta's website at <http://www.syngenta.com/> on March 16, 2018 (the "2017 Financial Report");
- Syngenta Finance N.V.'s audited non-consolidated financial statements for the year ended December 31, 2017, together with the notes to the financial statements and the auditor's report thereon; and
- Syngenta Finance N.V.'s audited non-consolidated financial statements for the year ended December 31, 2016, together with the notes to the financial statements and the auditor's report thereon.

No other part of the incorporated documents or any other documents are incorporated by reference herein. The non-incorporated parts of the documents referred to above are not relevant for the investors or are covered elsewhere in this Offering Memorandum.

The following cross-reference lists are provided to enable investors to identify specific areas of information in the documents incorporated by reference and the following cross-reference lists are provided to enable investors to identify specific items of information so incorporated:

| <b><u>Document</u></b>                                                                    | <b><u>Information incorporated</u></b>                                                             | <b><u>Location</u></b> |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------|
| Syngenta AG's 2016 Form 20-F                                                              | Report of Independent Registered Public Accounting Firm                                            | Page F-2               |
|                                                                                           | Consolidated Income Statement for the years ended 31 December 2016, 2015 and 2014                  | Page F-3               |
|                                                                                           | Consolidated Statement of Comprehensive Income for the years ended 31 December 2016, 2015 and 2014 | Page F-4               |
|                                                                                           | Consolidated Balance Sheet as at 31 December 2016 and 2015                                         | Page F-5               |
|                                                                                           | Consolidated Cash Flow Statement for the years ended 31 December 2016, 2015 and 2014               | Page F-6               |
|                                                                                           | Consolidated Statement of Changes in Equity for the years ended 31 December 2016, 2015 and 2014    | Page F-7               |
| Syngenta AG's audited consolidated financial statements for the financial year ended 2017 | Notes to the Syngenta Group Consolidated Financial Statements                                      | Pages F-8 to F-68      |
|                                                                                           | Consolidated Income Statement for the year ended 31 December 2017                                  | Page 22                |
|                                                                                           | Consolidated Statement of Comprehensive Income for the year ended 31 December 2017                 | Page 23                |

|                                                                                                                                      |                                                                                 |                |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------|
|                                                                                                                                      | Consolidated Balance Sheet as at 31 December 2017                               | Page 24        |
|                                                                                                                                      | Consolidated Cash Flow Statement for the year ended 31 December 2017            | Page 25        |
|                                                                                                                                      | Consolidated Statement of Changes in Equity for the year ended 31 December 2017 | Page 26        |
|                                                                                                                                      | Notes to the Syngenta Group Consolidated Financial Statements                   | Pages 27 to 88 |
|                                                                                                                                      | Statutory Auditor's Report to the General Meeting of Syngenta AG                | Pages 89 to 91 |
| Syngenta Finance<br>N.V.'s audited non-<br>consolidated financial<br>statements for the<br>financial year ended<br>December 31, 2017 | Balance Sheet                                                                   | Page 7         |
|                                                                                                                                      | Profit and Loss Account                                                         | Page 8         |
|                                                                                                                                      | Notes to the Financial Statements                                               | Pages 9 to 24  |
|                                                                                                                                      | Independent Auditor's Report                                                    | Pages 25 to 30 |
| Syngenta Finance<br>N.V.'s audited non-<br>consolidated financial<br>statements for the<br>financial year ended<br>December 31, 2016 | Balance Sheet                                                                   | Page 7         |
|                                                                                                                                      | Profit and Loss Account                                                         | Page 8         |
|                                                                                                                                      | Notes to the Financial Statements                                               | Pages 9 to 23  |
|                                                                                                                                      | Independent Auditor's Report                                                    | Pages 26 to 31 |

Syngenta AG's 2017 Financial Report contains a summary description of Syngenta's business and audited consolidated financial statements with a report by our independent auditors. These financial statements are prepared in accordance with IFRS as issued by the IASB.

In Syngenta AG's 2017 Financial Report and this Offering Memorandum, we present certain financial measures that are not recognized by IFRS and which may not be permitted to appear on the face of the primary financial statements, or footnotes thereto, and are alternative performance measures. We believe that these additional measures, which are used internally, are useful to understand our underlying business performance.

## ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

Syngenta Finance is incorporated under the laws of The Netherlands. Syngenta is a Swiss company headquartered in Switzerland. Substantially all of our directors and officers, and some of the experts named in this document, reside outside the United States. A substantial portion of our assets, and all or a substantial portion of the assets of such persons, are located outside the United States. Therefore, you may not be able to effect service of process within the United States upon us or these persons so that you may enforce judgments of U.S. courts against us or these persons based on the civil liability provisions of the U.S. federal securities laws. In addition, U.S. investors may find it difficult in a lawsuit based on the civil liability provisions of the U.S. federal securities laws to enforce in U.S. courts or outside the U.S. judgments obtained against those persons in U.S. courts, to enforce in U.S. courts judgments obtained against those persons in courts in jurisdictions outside the U.S., or to enforce against those persons in Switzerland or The Netherlands, whether in original actions or in actions for the enforcement of judgments of U.S. courts, civil liabilities based solely upon the U.S. federal securities laws.

We have further been advised that the United States and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. As a consequence, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be directly enforceable in The Netherlands. However, a court in The Netherlands would generally recognize and give binding effect to a final judgment (without appeal) that has been rendered and is enforceable in the United States if it finds (i) that the jurisdiction of the federal or state court in the United States has been based on grounds that are internationally accepted, (ii) that proper legal procedures have been observed, (iii) that it would not contravene Dutch public policy to give binding effect to such final judgment and (iv) that the judgment is not irreconcilable with a judgment of a Dutch court or an earlier judgment of a foreign court that is capable of being recognized in The Netherlands.

Furthermore, we have been advised that awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Switzerland. In particular, the enforceability in Switzerland of a foreign judgment rendered against our directors and officers, and some of the experts named in this document, is subject to the limitations set forth in (a) the Lugano Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters of October 30, 2007, (b) such other international treaties under which Switzerland is bound and (c) the Swiss Federal Act on Private International Law of December 18, 1987, as amended. In particular, and without limitation to the foregoing, a judgment rendered by a foreign court may only be enforced in Switzerland if (i) the foreign court had jurisdiction (as defined by the relevant treaty or act) or did consider itself to be competent (depending on the country in which a judgment was rendered), (ii) the judgment of such foreign court has become final and not capable of appeal or is enforceable in such foreign country (depending on the country), (iii) the court procedures leading to the judgment followed the principles of due process of law and (iv) the judgment on its merits does not violate Swiss public policy. This four-factor test may limit the enforceability in Switzerland, in original actions or in actions for the enforcement of judgments of U.S. or other non-Swiss courts, of liabilities predicated solely upon the federal or state securities laws of the United States or of such other jurisdictions. In addition, enforceability of a judgment against us by a non-Swiss court in Switzerland may be limited if we can demonstrate service of process was not effective. In general, the enforcement of final judgments of U.S. courts in Swiss courts may be costly and time-consuming and may even be unsuccessful. See “Risk Factors—Risks Relating to the Notes and the Guarantees—Enforcement claims or court judgments against Syngenta AG must be converted into Swiss francs.”

## **USE OF PROCEEDS**

We expect that the net proceeds, after deducting the Initial Purchasers' discounts, from the sale of the Notes offered hereby will be approximately \$4.726 billion.

We intend to lend the net proceeds of this offering to our parent company, Syngenta Treasury N.V., for onward lending by Syngenta Treasury N.V. to CNAC, in each case on economic terms substantially similar to the economic terms of the Notes offered hereby, to facilitate the refinancing of the remaining amounts drawn under the CNAC Facilities Agreement, entered into in connection with CNAC's acquisition of Syngenta AG's ordinary shares. It is expected that Syngenta AG will assume CNAC's payment obligations under the loan agreement with Syngenta Treasury N.V. related to the proceeds of the Notes, such that Syngenta AG will be the obligor under such loan.

To the extent any net proceeds remain, they will be used within the Group for general corporate purposes, but in any case outside of Switzerland, unless use in Switzerland is permitted under the Swiss taxation laws in force (from time to time) without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland. We do not intend to conduct an offering of senior unsecured notes pursuant to our Euro Medium Term Note Program or draw down under any term loan agreement concurrently with this offering.

Certain affiliates of the Initial Purchasers are lenders or agents under the CNAC Facilities Agreement. Proceeds of this offering are intended to be used as described above, and in such event such affiliates will receive a portion of such proceeds.



## CAPITALIZATION

The following table sets forth, on an IFRS basis, the actual capitalization of Syngenta AG as of December 31, 2017 and as adjusted to give effect to the issuance of the Notes (after deducting discounts and commissions). Other than the changes described in the notes accompanying the table below and the changes which reflect the anticipated issuance of the Notes and the application of the proceeds from the Notes, there has been no material change in the capitalization and indebtedness of Syngenta AG since December 31, 2017.

|                                         | As of December 31, 2017 |                               |
|-----------------------------------------|-------------------------|-------------------------------|
|                                         | Actual                  | As adjusted for this offering |
|                                         | (in millions)           |                               |
| Current financial debt .....            | \$1,022                 | \$1,022                       |
| Non-current financial debt (1) .....    | \$2,860                 | \$2,860                       |
| Notes offered hereby .....              | —                       | \$4,726                       |
| Financing related derivatives (2) ..... | \$49                    | \$49                          |
| <b>Total indebtedness (3) (4) .....</b> | <b>\$3,931</b>          | <b>\$8,657</b>                |
| Total shareholders' equity .....        | \$7,976                 | \$7,976                       |
| Non-controlling interests .....         | \$24                    | \$24                          |
| <b>Total equity .....</b>               | <b>\$8,000</b>          | <b>\$8,000</b>                |
| <b>Total capitalization .....</b>       | <b>\$11,931</b>         | <b>\$16,657</b>               |

- (1) Non-current financial debt includes the following guaranteed notes having a total value of \$2,820 million: CHF350 million 0.750% Swiss domestic bond due 2019, €500 million 1.875% Eurobond due 2021, \$500 million 3.125% U.S. bonds due 2022, CHF250 million 1.625% Swiss domestic bond due 2024, €500 million 1.250% Eurobond due 2027, CHF150 million 2.125% Swiss domestic bond due 2029 and \$250 million 4.375% U.S. bond due 2042.
- (2) The amount of financing related derivatives is shown on a net basis, consisting of current and non-current derivative assets and liabilities.
- (3) Generally, indebtedness is not secured except that, for certain derivative positions, the Guarantor has entered into CSAs under which, when the combined market value of the derivatives plus previously posted collateral exceeds \$1 million per counterparty, cash is exchanged as collateral. At December 31, 2017, a net asset amounting to \$93 million was recorded representing cash received by the Guarantor as collateral under these CSAs.
- (4) Since December 31, 2017, Syngenta's consolidated indebtedness has increased principally as a result of the financing (and associated refinancing) of the Nidera Seeds acquisition and normal seasonal working capital trends.

## OPERATING AND FINANCIAL REVIEW AND PROSPECTS

### Selected Financial Data

Syngenta has prepared the consolidated financial statements in U.S. dollars (\$) and in accordance with IFRS. Financial figures are presented in millions of dollars (\$m) except where otherwise stated. The basis of preparation to the consolidated financial statements and the key accounting policies are discussed in Note 1 and in Notes 2 and 27, respectively, to the consolidated financial statements included in the 2017 Financial Report, which is incorporated by reference in this Offering memorandum.

The selected financial highlights information in accordance with IFRS presented below has been extracted from the consolidated financial statements of Syngenta. Investors should read the entire consolidated financial statements and not rely on the summarized information. The information includes the results of operations and the net assets of MRI Seed Zambia Ltd and MRI Agro Zambia Ltd from October 31, 2013, Società Produttori Sementi S.p.A. from April 4, 2014, Lantmännen SW Seed Hadmersleben GmbH, Lantmännen SW Seeds GmbH and SW Winter Oilseed AB from July 21, 2014 and Land.db Enterprises Inc. from October 15, 2015.

### Financial Highlights

|                                                                   | Year ended December 31,              |          |          |
|-------------------------------------------------------------------|--------------------------------------|----------|----------|
|                                                                   | 2017 <sup>(1)</sup>                  | 2016     | 2015     |
|                                                                   | (\$m, except where otherwise stated) |          |          |
| <b>Amounts in accordance with IFRS</b>                            |                                      |          |          |
| <b>Income statement data:</b>                                     |                                      |          |          |
| Sales.....                                                        | 12,649                               | 12,790   | 13,411   |
| Cost of goods sold .....                                          | (6,491)                              | (6,507)  | (7,042)  |
| <b>Gross profit</b> .....                                         | 6,158                                | 6,283    | 6,369    |
| Operating expenses <sup>(2)</sup> .....                           | (6,104)                              | (4,636)  | (4,528)  |
| <b>Operating income</b> .....                                     | 54                                   | 1,647    | 1,841    |
| Income/(loss) before taxes .....                                  | (116)                                | 1,361    | 1,592    |
| Net income/(loss) .....                                           | (96)                                 | 1,181    | 1,344    |
| <b>Net income/(loss) attributable to Syngenta AG shareholders</b> | (98)                                 | 1,178    | 1,339    |
| <b>Cash flow data:</b>                                            |                                      |          |          |
| Cash flow from operating activities.....                          | 1,839                                | 1,807    | 1,190    |
| Cash flow used for investing activities .....                     | (577)                                | (521)    | (462)    |
| Cash flow used for financing activities.....                      | (303)                                | (1,134)  | (1,188)  |
| Additions to property, plant and equipment .....                  | (394)                                | (425)    | (453)    |
| <b>Balance sheet data:</b>                                        |                                      |          |          |
| Current assets less current liabilities.....                      | 5,341                                | 5,089    | 5,537    |
| Total assets .....                                                | 20,333                               | 19,068   | 18,977   |
| Total non-current liabilities .....                               | (5,615)                              | (4,830)  | (4,896)  |
| Total liabilities.....                                            | (12,333)                             | (11,097) | (10,557) |
| Issued share capital.....                                         | (6)                                  | (6)      | (6)      |
| Total shareholders' equity .....                                  | (7,976)                              | (7,950)  | (8,401)  |

All activities were in respect of continuing operations.

- (1) On January 1, 2017, Syngenta early adopted IFRS 15 “Revenue from Contracts with Customers” using the cumulative effect method. The impact of such early adoption is not material. Under this method, comparative information for prior periods has not been restated and continues to be reported in accordance with the previous standard, International Accounting Standard 18.
- (2) Operating expenses consist of Marketing and distribution, Research and development and General and administrative expenses.

### Introduction

The following discussion includes forward-looking statements subject to risks and uncertainty. See “Forward-looking statements” at the beginning of this Offering Memorandum. This discussion also includes non-GAAP

financial data in addition to GAAP results. See Appendix A to this section and Note 1 to the financial highlights for a reconciliation of this data and explanation of the reasons for presenting such data.

### **Constant Exchange Rates**

Approximately 46% of Syngenta's sales and 66% of Syngenta's costs in 2017 were denominated in currencies other than U.S. dollars. Therefore, Syngenta's results for the period covered by the review were significantly impacted by movements in exchange rates. Sales in 2017 were 1% lower than 2016 on a reported basis, but were 2% lower when calculated at constant rates of exchange. The Company therefore provides analysis of results calculated at constant exchange rates ("CER") and also actual results to allow an assessment of performance before and after taking account of currency fluctuations. To present CER information, current period results for entities reporting in currencies other than U.S. dollars are converted into U.S. dollars at the prior period's exchange rates, rather than the exchange rates for this year. An example of this calculation is included in Appendix A of this section.

### **Overview**

Syngenta is a world leading agribusiness operating in the crop protection, seeds and lawn and garden markets. Crop protection chemicals include herbicides, insecticides, fungicides and seed treatments to control weeds, insects and diseases in crops, and are essential inputs enabling growers around the world to improve agricultural productivity and food quality. In Seeds, Syngenta operates in the high value commercial sectors of field crops (including corn, oilseeds, and cereals) and vegetables. The Lawn and Garden business, comprising the Controls and Flowers businesses provides professional growers and consumers with flowers, turf and landscape, and professional pest management products.

Syngenta's results are affected, both positively and negatively, by, among other factors: general economic conditions; weather conditions, which can influence the demand for certain products over the course of a season and the quantity and cost of seeds supply; commodity crop prices; and exchange rate fluctuations. Government measures, such as subsidies or rules regulating the use of agricultural products, genetically modified seeds, or areas allowed to be planted with certain crops, also can have an impact on Syngenta's industry. Syngenta's results are also affected by the growing importance of biotechnology to agriculture and the use of genetically modified crops. In future years, climate change may have both positive and negative impacts on Syngenta's results. Climate change may make growing certain crops more or less viable in different geographic areas, but is not likely to reduce overall demand for food and feed. Syngenta currently sells and is developing products to improve the water productivity of plants and increase tolerance to drought and heat. Legislation may be enacted in the future that limits carbon dioxide emissions in the manufacture of Syngenta's products or increases the costs associated with such emissions. Syngenta works actively to make its production operations more energy efficient and to reduce the rate of carbon dioxide emissions per unit of sales revenue. In addition, litigation and the costs associated therewith (including as a result of settlements such as for Viptera) can alter Syngenta's results.

Syngenta operates globally to capitalize on its technology and marketing base. Syngenta's largest market in 2017 was Europe, Africa and the Middle East, which represented approximately 33% of consolidated sales (2016: 31%) followed by North America at 29% (2016: 28%), Latin America at 23% (2016: 26%) and Asia Pacific at 15% (2016: 15%). Markets for agricultural products in Europe, Africa and the Middle East and North America are seasonal resulting in both sales and operating profit for Syngenta in these markets being weighted towards the first half of the calendar year, which largely reflects the northern hemisphere planting and growing cycle. Latin America has its main selling season in the second half of the year due to its location in the southern hemisphere. Asia Pacific sales and operating profit are more uniform throughout the year.

Syngenta's most significant manufacturing and R&D sites are located in Switzerland, the United Kingdom ("UK"), the United States of America ("USA" or "U.S.") and China. Syngenta has major research centers focused on identifying new active ingredients in Stein, Switzerland and Jealott's Hill, UK. Syngenta's primary center for agricultural genomics and biotechnology research is in the USA.

References in this Offering Memorandum to market share estimates are based where possible on global agrochemical and biotechnology industry information provided by a third party or on information published by major competitors and are supplemented by Syngenta marketing staff estimates.

The consolidated financial statements are presented in U.S. dollars, as this is the major currency in which revenues are denominated. However, significant, but differing proportions of Syngenta's revenues, costs, assets and liabilities are denominated in currencies other than U.S. dollars. Approximately 16% of sales in 2017 were denominated in Euros, while a significant proportion of costs for R&D, administration, general overhead and manufacturing were denominated in Swiss francs and British pounds sterling (approximately 18% in total). Sales in Swiss francs and British pounds sterling together made up approximately 2% of total sales. Marketing and distribution costs are more closely linked to the currency split of the sales. As a result, operating profit in U.S. dollars can be significantly affected by movements in exchange rates, in particular movements of the Swiss franc, British pound sterling, Euro and Brazilian real, relative to the U.S. dollar, and the relative impact on operating profit may differ from that on sales. Sales in emerging markets are over 50% of Syngenta's total sales. Where it is not commercially disadvantageous, Syngenta sets sales prices in these markets in U.S. dollars, particularly in parts of Latin America and the CIS. However, in many emerging territories Syngenta sells in the local currency of the countries in the territory and as a result has a long exposure to multiple emerging market currencies. The effects of currency fluctuations within any one year have been reduced by risk management strategies such as hedging and the aforementioned U.S. dollar sales pricing. For further information on these strategies please refer to Note 25 to the consolidated financial statements.

The consolidated financial statements are based upon Syngenta's accounting policies and, where necessary, the results of management estimations. Syngenta believes that the critical accounting policies and estimations underpinning the financial statements are in the areas of (i) royalty and license income, (ii) impairment, (iii) share based payment, (iv) adjustments to revenue and trade receivables, (v) deferred tax assets (vi) uncertain tax positions (vii) seeds inventory valuation and allowances, (viii) environmental provisions and (ix) defined benefit post-employment benefits. These policies are described in more detail in Notes 2 and 27 to the consolidated financial statements.

## Summary of Results

The net result in 2017 was a loss of \$96 million due to the establishment in the year of provisions of \$1,550 million to settle lawsuits related to the commercialization of Syngenta's AGRISURE<sup>®</sup> VIPTERA<sup>®</sup> and DURACADE<sup>™</sup> corn seed in the United States before import approval for these products from China had been received. Excluding these charges and the related tax effect, net income was \$1,152 million, approximately 2% lower than in 2016, partly due to adverse impacts on the tax charge of \$96 million arising from the U.S. tax reform, particularly with regards to previously recognized deferred tax assets.

Sales in 2017 were 1% lower, 2% at constant exchange rates, with a 1% increase in sales volumes offset by 3% reduction in local currency sales prices. Sales of crop protection products in Brazil were impacted by a high level of general industry inventories at distributors, after two years of extreme weather in the north and south of Brazil, and price reductions for a fungicide where initial indicators of fungal resistance had been seen; excluding the reduction in sales in Brazil Crop Protection, sales were 2% higher than 2016. Currency movements relative to the U.S. dollar, particular a stronger Russian ruble and Brazilian real, increased reported sales by approximately 1%. Including the lower sales in Brazil, which was the major factor in a 7% reduction in Crop Protection sales volumes in Latin America, overall sales volumes in Crop Protection were broadly flat at the 2016 level in markets that remained challenging, with growth in sales of new products in the U.S. and Europe, but fewer acres planted with corn in the U.S. and the impact of adverse spring and summer weather conditions in Western Europe. Seeds sales volumes were 6% higher than 2016, with an increase in royalty income coming both from the licensing of corn containing the MIR604 trait in China and from income related to a change of control clause associated with industry consolidation, and growth in corn seed sales in Brazil. Local currency sales prices were 4% lower in Crop Protection, including the fungicide price reductions in Brazil and a competitive market in corn herbicides in the U.S. partly arising from the reduced corn acres. Local currency sales prices in Seeds were 1% lower.

Excluding the litigation provision noted above, operating costs as a percentage of sales increased by 0.2 percentage points in 2017. Excluding also restructuring costs and the incremental share based payment costs associated with the ChemChina Tender Offer, described below, operating costs as a percentage of sales increased by 0.3 percentage points in 2017 compared with 2016. Restructuring and impairment costs before related taxation, combined with the incremental effect of applying cash-settled share based payment accounting due to share plan amendments related to the ChemChina Tender Offer, were \$24 million lower than in 2016, with a lower level of impairments of non-current assets and reduced costs associated with the ChemChina Tender Offer. Currency

exchange rate impacts increased operating income by approximately \$112 million, including reduced losses on related hedges in 2017 compared to 2016, together with the favorable impact on sales described above.

Cash flow from operating activities was \$32 million higher due to a cash inflow from change in net working capital compared to an outflow in 2016; change in trade and other working capital assets was an inflow of \$616 million compared to an outflow of \$374 million in 2016, partly from the lower sales in Brazil in the final quarter of the year, but also with an improvement in customer collections and new customer financing programs to accelerate payment in Brazil and Argentina. Change in inventories was a cash outflow of \$153 million in the year compared to an inflow of \$252 million in 2016 partly as distributor demand in Brazil reduced in the final months of the year. Income before taxes, adjusted for the reversal of non-cash and other reconciling items was \$280 million lower than 2016. Excluding the litigation settlements described above, where there was no cash outflow in 2017, income before taxes was higher than in 2016, but was lower before non-cash items such as the depreciation, amortization and impairment and charges in respect of pension provisions. \$276 million was paid in 2017 to cash settle share based compensation following the completion of the ChemChina Tender Offer. Cash flow used for investing activities in 2017 was \$56 million higher than in 2016, with cash paid on business acquisitions of \$164 million in 2017 (2016: nil) and increased purchases of product rights more than offsetting lower additions to property, plant and equipment and increased disposal proceeds from the sale of tangible and intangible assets. Cash flow used for financing activities was \$831 million lower than in 2016 largely due to a lower dividend payment; in 2017 Syngenta paid only a special dividend of CHF 5.00 per share immediately prior to the first settlement of the ChemChina Tender Offer.

Sales of crop protection products were 3% lower, 4% lower at constant exchange rates, with the reduction largely the result of lower sales in Brazil as noted above. Sales in EAME, North America and Asia Pacific were higher than in 2016, though with low single digit growth rates that reflected the continued challenging market environment, reduced corn crop acres in the U.S. and adverse weather conditions in Western Europe in the growing season, which offset good growth in recently launched products, including in particular SOLATENOL™ in the U.S. and several countries in Western Europe. Seeds sales were 6% higher than 2016, 5% higher at constant exchange rates, with double digit growth in North America driven by increased royalties on corn traits. Seeds sales also grew strongly in Latin America, with growth particularly in corn seeds in Brazil. Growth in EAME included further increases in sales of sunflower seeds in the CIS, but partly offset by lower cereal sales due to weak prices in the related commodities. Weaker sales in Asia Pacific included the impact of a very competitive corn market in the Philippines and weaker demand in India.

Sales of Controls and Flowers products together were 3% higher, with volume growth in Controls.

Gross profit margin was 0.4 percentage points lower due to reduced margins in crop protection products from the aforementioned lower sales prices; cost savings and the benefit of a lower oil price were offset by adverse product mix. Gross margins in Seeds products were higher due to the higher sales royalties, which overall were approximately \$150 million higher, and a reduced level of charges for inventory provisions and write-offs.

Marketing and distribution expenses excluding restructuring and impairment increased by 4%, 2% at constant exchange rates, with savings under the Accelerating Operational Leverage (“AOL”) restructuring program and lower staff incentive costs offset by inflation and increased expenditure in emerging markets to drive future sales growth and an increased charge for doubtful receivables in Brazil.

Research and development expense was 2% lower, also 2% lower at constant exchange rates, with cost savings and productivity improvements delivered under the AOL restructuring program and lower incentives offset by cost inflation.

General and administrative, including restructuring and impairment, the components of which are described under “—Restructuring and Impairment” below, increased by \$1,414 million compared with 2016. General and administrative excluding restructuring and impairment and the provision for settlement of the Viptera litigation was 13% lower than 2016, including foreign exchange hedging losses of \$8 million compared with losses of \$73 million in 2016. Excluding currency effects, General and administrative excluding restructuring and impairment was 5% lower and in 2017 included gains of approximately \$89 million due to changes to the defined benefit pension and other post-employment benefit plans in the USA and the defined benefit pension plan in Switzerland, together with a lower level of staff incentive costs.

Restructuring and impairment expenses in 2017, including the \$98 million incremental effect of applying cash-settled share based payment accounting due to the share plan amendments related to the ChemChina Tender Offer described below, reduced by \$24 million compared to 2016. The AOL program, announced in February 2014, continued to progress, with charges of \$279 million in 2017 compared to \$223 million in 2016. Overall restructuring and impairment charges in 2017 were lower due mainly to a lower level of impairment of non-current assets than in 2016.

Financial expense, net was \$113 million lower than 2016 mainly due to lower costs of hedging exposures in emerging markets. The tax rate, excluding taxes related to restructuring and impairment, increased by 7 percentage points to 21%; U.S. tax reform increased the tax rate by 5% due to an adverse impact on pre-existing deferred tax assets and the tax rate was increased by a further 2% due to the provision for settlement of the Viptera litigation.

Reported net income attributable to Syngenta AG shareholders was a net loss of \$98 million in 2017 compared to net income of \$1,178 million in 2016; the litigation settlement and U.S. tax reform together reduced 2017 net income by \$1,344 million.

## **Acquisitions, Divestments and Other Significant Transactions**

### **2017**

On September 29, 2017, Syngenta completed the sale of its global sugarbeet seeds business to DLF Seeds A/S (DLF) for a cash consideration of \$62 million, subject to a final purchase price adjustment. The divestment of the sugarbeet seeds business resulted in \$45 million of asset impairment and divestment losses being incurred during 2017.

On November 6, 2017, Syngenta AG and COFCO announced that Syngenta AG had entered into a binding agreement to acquire the global seeds business of Nidera, from Nidera B.V., a subsidiary of COFCO. The acquisition consideration is \$1.4 billion in cash, subject to a final purchase price adjustment. Completion of the transaction was subject to clearance by the relevant merger-control authorities. The acquisition was completed on February 6, 2018, as further disclosed in Note 28 to the consolidated financial statements.

On February 2, 2016, Syngenta AG entered into the Transaction Agreement with ChemChina and China National Agrochemical Corporation, pursuant to which ChemChina agreed to cause a newly-incorporated company that is directly or indirectly controlled by ChemChina, CNAC, to submit the ChemChina Tender Offer. In accordance with the terms of the Transaction Agreement, which was unanimously approved by Syngenta AG's Board of Directors, CNAC offered the shareholders of Syngenta AG \$465 per ordinary share, payable in cash, plus a special dividend of CHF 5 payable by Syngenta AG once the ChemChina Tender Offer became unconditional and prior to its first settlement. On March 23, 2016, CNAC launched the ChemChina Tender Offer. Following the second settlement of the ChemChina Tender Offer on June 7, 2017, CNAC had acquired 94.7% of Syngenta AG shares in aggregate. On July 13, 2017, following the purchase of additional Syngenta AG shares, ChemChina announced that its ownership in Syngenta AG had exceeded 98% of Syngenta AG's share capital.

As a consequence, ChemChina filed a petition with the Basel Appellate Court to cancel the remaining Syngenta AG shares that were not held by ChemChina or any of its affiliates. Holders of these Syngenta AG shares received the offer price of \$465 per Syngenta AG share following completion of the court proceedings. On October 2, 2017, Syngenta AG applied for the de-listing from the SIX Swiss Exchange of its shares and on December 21, 2017, the request was approved by SIX Exchange Regulation. The last day of trading was January 5, 2018 and the effective date of de-listing was January 8, 2018. On January 8, 2018, Syngenta AG filed for voluntary de-listing of its ADSs from the New York Stock Exchange, which became effective on January 18, 2018. On January 19, 2018, Syngenta AG filed for deregistration of its securities from the SEC, suspending its reporting obligations under the Exchange Act.

### **2016**

On March 15, 2016, Syngenta divested Syngenta Bioline Ltd. ("Bioline"), its beneficial insect breeding business. On June 1, 2016, Syngenta divested its manufacturing operations in Goa, India to Deccan Fine Chemicals India Private Ltd. Neither transaction had individually material proceeds nor led to a material gain or loss.

## 2015

On October 15, 2015, Syngenta acquired 100% of the shares of Land.db Enterprises Inc. in exchange for cash, including contingent consideration. The primary reason for the acquisition was to gain exclusive control of the AgriEdge Excelsior<sup>®</sup> farm management software program, which integrates products, services, risk management and technology for growers.

### Restructuring Programs

In February 2014, Syngenta announced the AOL restructuring program to drive further improvement in operating income margins and accelerate delivery of operational leverage. The program targets an improvement in profitability as a percentage of sales over the period up to 2018 from a reduction in the ratios of Cost of goods sold, Marketing and distribution, Research and development and general and administrative expenses to sales. The program includes plans to further improve efficiency in customer facing operations, R&D and production and to enable an improvement in the ratio of trade working capital to sales. The cash cost of the restructuring program is estimated at approximately \$900 million, including the costs of implementing new systems, but excluding related capital expenditures, and significant benefits began to be realized in 2015. During 2017, cash costs of \$283 million were charged under the program (2016: \$214 million) and cash spent was \$244 million (2016: \$229 million). Non-cash charges of \$1 million were incurred to write down assets (2016: \$9 million). Cumulative costs incurred for the program through December 31, 2017 total \$774 million and cumulative spending totals \$684 million.

The program announced in 2011 to integrate global commercial operations for Crop Protection and Seeds was substantially complete at the end of 2016. The program has enabled operational synergies from the commercial integration, additional cost savings from procurement and supply chain efficiencies and the presentation of an integrated product offer to grower customers. Cumulative costs incurred for the program through December 31, 2016 totaled \$400 million, in line with previously estimated cash costs, and cumulative spending totals \$385 million, including \$6 million of cash spent in 2017.

The operational efficiency cost saving programs announced in 2004 and 2007 are now complete. Cash spent under the programs in 2016 totaled \$3 million. Cumulative spending on the programs to the end of 2016 totaled \$1,063 million and non-cash charges totaled \$371 million, broadly in line with the projected \$1,050 million cash costs and \$380 million of non-cash charges previously indicated.

### Results of Operations

#### 2017 Compared with 2016

#### Sales Commentary

Syngenta's consolidated sales for 2017 were \$12,649 million, compared with \$12,790 million in 2016, a 1% decrease year on year. At constant exchange rates sales decreased by 2%. The analysis by segment is as follows:

| Segment                              | Change |        |          |               |       |            |          |
|--------------------------------------|--------|--------|----------|---------------|-------|------------|----------|
|                                      | 2017   | 2016   | Volume % | Local price % | CER % | Currency % | Actual % |
| (\$m, except change %)               |        |        |          |               |       |            |          |
| Europe, Africa and Middle East ..... | 3,870  | 3,793  | +2       | -1            | +1    | +1         | +2       |
| North America .....                  | 3,361  | 3,202  | +8       | -3            | +5    | -          | +5       |
| Latin America .....                  | 2,884  | 3,293  | -6       | -8            | -14   | +2         | -12      |
| Asia Pacific .....                   | 1,853  | 1,839  | -        | -             | -     | +1         | +1       |
| Total regional .....                 | 11,968 | 12,127 | +1       | -3            | -2    | +1         | -1       |
| Controls and Flowers .....           | 681    | 663    | +4       | -1            | +3    | -          | +3       |
| Group sales .....                    | 12,649 | 12,790 | +1       | -3            | -2    | +1         | -1       |

#### Europe, Africa and Middle East

Sales increased by 2%, 1% at constant exchange rates, with volume increases of 2% offset by local currency price decreases of 1%. Crop Protection sales were 1% higher, with continued growth in the CIS and sales of new products, particularly Solatenol, which was launched in France, Germany and the UK, largely offset by the impact

of adverse weather conditions in the spring and summer growing season. Seeds sales were 5% higher, with strong sales of sunflower seeds in the CIS and growth in Vegetables seeds sales, but lower cereal sales due to low crop prices.

#### **North America**

Sales in North America increased 5% with volume increases of 8% partly offset by local currency price declines of 3%. Crop Protection sales were 2% higher, with strong growth in new product sales but lower sales volumes and prices in corn herbicides in a competitive U.S. market, where acres planted with corn were reduced. Sales in Canada grew strongly. Seeds sales were 12% higher with increased corn royalties including royalty income due to the registration of DURACADE™ in China and increased sales of soybean seeds.

#### **Latin America**

Sales decreased by 12%, 14% at constant exchange rates. Reported volumes and local currency prices declined by 6% and 8%, respectively. Crop Protection sales were 15% lower, 16% at constant exchange rates, with a high level of channel inventories at the start of the year, associated with two years of adverse weather in the north and south of Brazil, reducing distributor demand in 2017 across the industry and with price reductions in a fungicide where there had been indications of fungal resistance. Seeds sales were 7% higher, 5% at constant exchange rates, with strong sales of corn seeds in Brazil.

#### **Asia Pacific**

Sales in Asia Pacific increased by 1%, but were flat year on year at constant exchange rates. Crop Protection sales were 2% higher, with strong growth in ASEAN following the adverse impact of El Nino in 2015 / 2016, partly offset by lower sales in India where channel inventories were high at the start of the year and low insect pressure reduced insecticide sales.

#### **Controls and Flowers: Major Brands ICON®, GOLDFISCH®, GOLDSMITH® SEEDS, YODER®, SYNGENTA® FLOWER**

Sales increased by 3%, also at constant exchange rates, with higher sales volumes driven by increased sales of Vector Control products.

Sales by product line are set out below:

| Product line                       | 2017          | 2016          | Change                 |               |       |            |          |
|------------------------------------|---------------|---------------|------------------------|---------------|-------|------------|----------|
|                                    |               |               | Volume %               | Local price % | CER % | Currency % | Actual % |
|                                    |               |               | (\$m, except change %) |               |       |            |          |
| Selective herbicides .....         | 2,720         | 2,853         | -3                     | -2            | -5    | -          | -5       |
| Non-selective herbicides.....      | 791           | 773           | +7                     | -7            | -     | +2         | +2       |
| Fungicides.....                    | 2,896         | 3,157         | -2                     | -6            | -8    | -          | -8       |
| Insecticides .....                 | 1,632         | 1,643         | +4                     | -6            | -2    | +1         | -1       |
| Seedcare.....                      | 1,055         | 1,003         | +6                     | -3            | +3    | +2         | +5       |
| Other crop protection.....         | 150           | 142           | -7                     | +30           | +23   | -17        | +6       |
| <b>Total Crop Protection .....</b> | <b>9,244</b>  | <b>9,571</b>  | -                      | -4            | -4    | +1         | -3       |
| Corn and soybean .....             | 1,503         | 1,375         | +11                    | -3            | +8    | +1         | +9       |
| Diverse field crops.....           | 701           | 666           | -                      | +1            | +1    | +4         | +5       |
| Vegetables .....                   | 622           | 616           | -1                     | +2            | +1    | -          | +1       |
| <b>Total Seeds .....</b>           | <b>2,826</b>  | <b>2,657</b>  | +6                     | -1            | +5    | +1         | +6       |
| Elimination(1).....                | (102)         | (101)         | n/a                    | n/a           | n/a   | n/a        | n/a      |
| Total regional.....                | 11,968        | 12,127        | +1                     | -3            | -2    | +1         | -1       |
| Controls and Flowers.....          | 681           | 663           |                        |               |       |            |          |
| <b>Group sales.....</b>            | <b>12,649</b> | <b>12,790</b> | +1                     | -3            | -2    | +1         | -1       |

(1) Crop Protection sales to Seeds



## ***Crop Protection***

Selective herbicides: major brands ACURON™, AXIAL®, CALLISTO® family, DUAL MAGNUM®, BICEP® II MAGNUM, FUSILADE® MAX, FLEX®, TOPIK®

Sales decreased by 5%, also at constant exchange rates; lower corn herbicide sales volumes and prices in the U.S., where corn planted acres were lower and weak distributor demand in Brazil were only partly offset by a strong sales performance in Canada.

Non-selective herbicides: major brands GRAMOXONE®, TOUCHDOWN®

Sales increased by 2%, but were flat at constant exchange rates, with increased sales volumes and local currency sales prices in Asia Pacific, driven by ASEAN and Australasia, but significantly lower sales prices in the depressed Brazilian market.

Fungicides: major brands ALTO®, AMISTAR®, BONTIMA®, BRAVO®, ELATUS™, MIRAVIS™ (based on ADEPIDYN™), MODDUS®, REVUS®, RIDOMIL GOLD®, SCORE®, SEGURIS®, UNIX®

Fungicide sales decreased by 8%, also at constant exchange rates. Solatenol sales grew strongly in Western Europe and the U.S. following recent launches, but this was more than offset by significantly lower fungicide sales in Brazil, where local currency sales prices were reduced after some indications of fungal resistance to a significant formulation and volumes were also lower, with weak demand from an overstocked distribution channel.

Insecticides: major brands ACTARA®, DURIVO®, FORCE®, KARATE®, PROCLAIM®, VERTIMEC®

Sales fell by 1% and were 2% lower at constant exchange rates with volume increases of 4%, driven by growth in the U.S. and Brazil, but more than offset by a decline in local currency price of 6% from reduced prices in Brazil.

Seedcare: major brands AVICTA®, CRUISER®, DIVIDEND®, CELEST®/MAXIM®, VIBRANCETM

Seedcare sales were 5% higher, 3% higher at constant exchange rates. Sales volumes were 6% higher driven by the recently launched FORTENZA® in Brazil, but local currency prices were 3% lower.

## ***Seeds***

Corn and soybean: major brands AGRISURE™, GOLDEN HARVEST®, NK®

Sales increased by 9%, 8% at constant exchange rates. Volumes were 11% higher including approximately \$150 million higher royalties in corn following the registration of corn containing DURACADE™ in China and a receipt triggered by a change of control. Sales volumes of corn seed were higher in Brazil, but lower in the U.S. due to reduced acres planted with corn; soybean sales volumes were higher in North America. Local currency sales prices were 3% lower.

Diverse field crops: major brands NK® oilseeds

Sales increased by 5%, but were flat year on year at constant exchange. Sales volumes were flat overall, with continued strong growth in sunflower sales in the CIS, but offset by weaker sales in the U.S.; local currency prices increased 1%, with prices maintained in the CIS despite a strengthening of the Russian ruble.

Vegetables: major brands ROGERS™, S&G®

Vegetables sales increased by 1%, also at constant exchange rates; sales volumes declined 1% as broad based growth in EAME and Latin America was offset by weakness in India and local currency price increased by 2%.

## ***Operating Income***

Variances in the tables below reflect the profit impact of changes year on year. For example, an increase of sales or a decrease in costs is a positive variance and a decrease in sales or increase in costs is a negative variance.

### Group Operating Income

|                                  | Total as reported under IFRS |         | Change   |       | Restructuring and impairment |       | Before restructuring and impairment <sup>(1)</sup> |         | Change before restructuring and impairment |       |
|----------------------------------|------------------------------|---------|----------|-------|------------------------------|-------|----------------------------------------------------|---------|--------------------------------------------|-------|
|                                  | 2017                         | 2016    | Actual % | CER % | 2017                         | 2016  | 2017                                               | 2016    | Actual %                                   | CER % |
| (\$m, except change %)           |                              |         |          |       |                              |       |                                                    |         |                                            |       |
| Sales .....                      | 12,649                       | 12,790  | -1%      | -2%   | -                            | -     | 12,649                                             | 12,790  | -1%                                        | -2%   |
| Cost of goods sold .....         | (6,491)                      | (6,507) | -        | -     | (9)                          | (6)   | (6,482)                                            | (6,501) | -                                          | -     |
| Gross profit .....               | 6,158                        | 6,283   | -2%      | -3%   | (9)                          | (6)   | 6,167                                              | 6,289   | -2%                                        | -3%   |
| as a percentage of sales .....   | 49%                          | 49%     |          |       |                              |       | 49%                                                | 49%     |                                            |       |
| Marketing and distribution ..... | (2,197)                      | (2,117) | -4%      | -3%   | (31)                         | (26)  | (2,166)                                            | (2,091) | -4%                                        | -2%   |
| Research and development .....   | (1,273)                      | (1,299) | 2%       | 2%    | (12)                         | (8)   | (1,261)                                            | (1,291) | 2%                                         | 2%    |
| General and administrative ..... | (2,634)                      | (1,220) | -116%    | -121% | (401)                        | (437) | (2,233)                                            | (783)   | -185%                                      | -193% |
| Operating income .....           | 54                           | 1,647   | -97%     | -104% | (453)                        | (477) | 507                                                | 2,124   | -76%                                       | -81%  |
| as a percentage of sales .....   | 0%                           | 13%     |          |       |                              |       | 4%                                                 | 17%     |                                            |       |

### Operating Income/(Loss)

|                                      | 2017    | 2016    | Change % |
|--------------------------------------|---------|---------|----------|
| (\$m, except change %)               |         |         |          |
| Europe, Africa and Middle East ..... | 1,130   | 1,204   | -6%      |
| North America .....                  | (624)   | 793     | -179%    |
| Latin America .....                  | 520     | 933     | -44%     |
| Asia Pacific .....                   | 508     | 508     | -        |
| Unallocated .....                    | (1,612) | (1,908) | 15%      |
| Total regional .....                 | (78)    | 1,530   | -105%    |
| Controls and Flowers .....           | 132     | 117     | 13%      |
| Group .....                          | 54      | 1,647   | -97%     |

The two tables above do not represent income statements prepared under IFRS. Please refer to the information reported in the consolidated financial statements.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

### Overall Group Operating Income

Operating income in 2017 included a provision of \$1,550 million for settlement of litigation in relation to commercializing the MIR162 trait before import approval for corn containing that trait had been received in China. Excluding that provision, operating income was \$1,604 million, 3% lower than in 2016, largely as a result of lower sales volumes and local currency prices in Crop Protection in Brazil. Currency movements, including the net hedging result from the hedging program for forecast foreign currency transactions (“EBITDA hedging program”), are estimated to have increased operating income by approximately \$111 million from lower hedging losses and the impact on sales of a stronger Brazilian real and Russian ruble. The ratio of operating income to sales was 0.2 percentage points lower excluding the litigation settlement provision, 0.3 percentage points excluding restructuring and impairment.

Sales declined by 1%, 2% at constant exchange rates with sales volumes 1% higher, but local currency sales prices 3% lower. The lower sales included a decline in Crop Protection sales in Brazil due to a depressed market and an excess level of industry inventories in the distribution channel at the start of 2017, together with lower local currency sales prices to reposition a fungicide where indications of fungal resistance had been identified. Excluding the lower sales in Brazil Crop Protection, sales were up 2% on 2016. Local currency sales prices were 4% lower in Crop Protection, with the aforementioned reductions in Brazil and price reductions in corn herbicides in the U.S., where competition was intense due to a reduction in acres planted with corn and low crop profitability for the grower. Local currency prices in Seeds were 1% lower, with reduced prices in corn and soybean in the U.S. Exchange rate movements increased sales by 1%, with a stronger Brazilian real and Russian ruble.

Gross profit margin was 0.4 percentage points lower, with a reduced margin in Crop Protection where the lower sales prices and some adverse product mix more than offset cost savings and the benefit of a lower oil price. Margins in Seeds were stronger with an increased level of royalty income and a reduction in charges to inventory provisions and write-offs.

Marketing and distribution costs were 4% higher; also 4% higher excluding restructuring and impairment, 2% at constant exchange rates, with an increase in charges for doubtful receivables in Brazil and, off a low base, Europe. Research and development expense decreased by 2%, also decreased by 2% at constant exchange rates, with cost savings and productivity increases from ongoing AOL restructuring and a lower level of staff incentives. Research and development expense remained broadly flat as a percentage of sales.

General and administrative including restructuring and impairment and the litigation provision was substantially higher than 2016. Excluding the litigation provision and restructuring and impairment, General and administrative was 13% lower than 2016. General and administrative is reported net of the result of currency hedging programs, which in 2017 was a net expense of \$8 million compared with a net expense of \$73 million in 2016. At constant exchange rates, taking into account both variances in underlying costs and the change in the net hedging result from year to year, General and administrative excluding restructuring and impairment was 5% lower than 2016. Costs in 2017 included increased litigation expenses, including legal costs associated with the actions that have now been settled, subject to court approval, but were net of gains of \$89 million from changes made to the defined benefit pension plans and other post-retirement benefits in the U.S. and Switzerland.

Restructuring and impairment, together with the incremental effect of applying cash-settled share based payment accounting due to the share plan amendments related to the ChemChina Tender Offer, is described under “—Restructuring and Impairment” below and reduced by \$24 million in 2017 to \$453 million, with lower advisory costs related to the ChemChina Tender Offer and reduced impairments of non-current assets, partly offset by the inclusion of the loss on divestment of the sugarbeet business.

### Operating Income by Segment

#### Europe, Africa and Middle East

|                                  | Total as reported under IFRS |         | Change   |       | Restructuring and impairment |       | Before restructuring and impairment <sup>1</sup> |         | Change before restructuring and impairment <sup>1</sup> |       |
|----------------------------------|------------------------------|---------|----------|-------|------------------------------|-------|--------------------------------------------------|---------|---------------------------------------------------------|-------|
|                                  | 2017                         | 2016    | Actual % | CER % | 2017                         | 2016  | 2017                                             | 2016    | Actual %                                                | CER % |
|                                  | (\$m, except change %)       |         |          |       |                              |       |                                                  |         |                                                         |       |
| Sales .....                      | 3,870                        | 3,793   | 2%       | 1%    | -                            | -     | 3,870                                            | 3,793   | 2%                                                      | 1%    |
| Cost of goods sold .....         | (1,853)                      | (1,801) | -3%      | -3%   | -                            | -     | (1,853)                                          | (1,801) | -3%                                                     | -3%   |
| Gross profit .....               | 2,017                        | 1,992   | 1%       | -     | -                            | -     | 2,017                                            | 1,992   | 1%                                                      | -     |
| as a percentage of sales .....   | 52%                          | 53%     |          |       |                              |       | 52%                                              | 53%     |                                                         |       |
| Marketing and distribution ..... | (583)                        | (554)   | -5%      | -4%   | (11)                         | (9)   | (572)                                            | (545)   | -5%                                                     | -4%   |
| General and administrative ..... | (304)                        | (234)   | -30%     | -28%  | (156)                        | (98)  | (148)                                            | (136)   | -8%                                                     | -7%   |
| Operating income .....           | 1,130                        | 1,204   | -6%      | -8%   | (167)                        | (107) | 1,297                                            | 1,311   | -1%                                                     | -3%   |
| as a percentage of sales .....   | 29%                          | 32%     |          |       |                              |       | 34%                                              | 35%     |                                                         |       |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

Reported sales in Europe, Africa and Middle East were 2% above 2016, including approximately 1% from a stronger ruble relative to the U.S. dollar. At constant exchange rates, sales were 1% above 2016, with sales volumes 2% higher and local currency prices averaging 1% lower, with prices in Russia under pressure as a result of the strengthening exchange rate. See “—Sales Commentary” above for further information on sales in the region.

Gross profit margin was 1 percentage point lower in U.S. dollars and 1 percentage point lower at constant exchange rates due to the lower sales prices and some adverse product mix in crop protection products, particularly with sales of new products where margins are typically lower in the launch phase.

Marketing and distribution costs, excluding restructuring and impairment, were 5% higher, 4% at constant exchange rates, with increased expenditure in the developing markets of East Europe and an increase in charges for doubtful receivables from a low 2016 base.

General and administrative was 30% higher including increased restructuring charges. Excluding restructuring and impairment, General and administrative was 8% higher, 7% at constant exchange rates including an increased allocation of shared service costs.

Restructuring and impairment charges were \$167 million in 2017 compared with \$107 million in 2016. Charges in 2017 include \$124 million related to progressing the AOL restructuring program, including restructuring the territory management and marketing organizations and the relocation of certain support activities to lower cost countries, \$23 million of write downs and impairments associated with the divestment of the sugarbeet business and \$12 million of share based payment charges related to the ChemChina Tender Offer. Charges in 2016 include \$100 million related to progressing the AOL restructuring program, \$9 million of share-based payment charges related to the ChemChina Tender Offer and \$7 million for integration projects.

Operating income as a percentage of sales was 3 percentage points lower than in 2016, 1 percentage point lower excluding restructuring and impairment.

#### North America

|                                  | Total as reported under IFRS |         | Change   |       | Restructuring and impairment |      | Before restructuring and impairment <sup>1</sup> |         | Change before restructuring and impairment <sup>1</sup> |        |
|----------------------------------|------------------------------|---------|----------|-------|------------------------------|------|--------------------------------------------------|---------|---------------------------------------------------------|--------|
|                                  | 2017                         | 2016    | Actual % | CER % | 2017                         | 2016 | 2017                                             | 2016    | Actual %                                                | CER %  |
| (\$m, except change %)           |                              |         |          |       |                              |      |                                                  |         |                                                         |        |
| Sales .....                      | 3,361                        | 3,202   | 5%       | 5%    | -                            | -    | 3,361                                            | 3,202   | 5%                                                      | 5%     |
| Cost of goods sold .....         | (1,738)                      | (1,720) | -1%      | -1%   | (2)                          | (2)  | (1,736)                                          | (1,718) | -1%                                                     | -1%    |
| Gross profit .....               | 1,623                        | 1,482   | 10%      | 10%   | (2)                          | (2)  | 1,625                                            | 1,484   | 10%                                                     | 10%    |
| as a percentage of sales .....   | 48%                          | 46%     |          |       |                              |      | 48%                                              | 46%     |                                                         |        |
| Marketing and distribution ..... | (536)                        | (528)   | -1%      | -1%   | (9)                          | (8)  | (527)                                            | (520)   | -1%                                                     | -1%    |
| General and administrative ..... | (1,711)                      | (161)   | -966%    | -966% | (41)                         | (58) | (1,670)                                          | (103)   | -1520%                                                  | -1520% |
| Operating income .....           | (624)                        | 793     | -179%    | -178% | (52)                         | (68) | (572)                                            | 861     | -166%                                                   | -166%  |
| as a percentage of sales .....   | (19)%                        | 25%     |          |       |                              |      | (17)%                                            | 27%     |                                                         |        |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

Sales were 5% higher in U.S. dollars and at constant exchange rates, with sales volumes 8% higher and 3% lower local currency sales prices. Seeds sales included increased royalties related to corn. See “—Sales Commentary” above for further information on sales in the region. Gross profit margin was 2 percentage points higher in 2017, with higher margins in Seeds due to the increased royalty income, but reduced margins in Crop Protection from lower sales prices in a competitive market in com selective herbicides.

Marketing and distribution costs excluding restructuring and impairment were 1% higher in U.S. dollars and at constant exchange rates.

General and administrative excluding restructuring and impairment included approximately \$1.6 billion associated with the legal expenses and settlement of litigation relating to the sale of seeds including the MIR162 trait; otherwise expenditure was broadly flat.

Restructuring and impairment costs were \$52 million in 2017 and included \$40 million from AOL projects, \$8 million of inventory write downs and impairments associated with the divestment of a seed crop and \$13 million of share based payment charges related to the ChemChina Tender Offer and were net of the gain from divesting various crop protection products as part of the anti-trust clearance of the ChemChina acquisition of Syngenta. Charges in 2016 included \$26 million under the AOL program, \$13 million of share based payment charges related to the ChemChina Tender Offer and \$25 million of impairments related to two sites now classified as held for sale.

#### *Latin America*

|                                  | Total as reported under IFRS |         | Change   |       | Restructuring and impairment |      | Before restructuring and impairment <sup>1</sup> |         | Change before restructuring and impairment <sup>1</sup> |       |
|----------------------------------|------------------------------|---------|----------|-------|------------------------------|------|--------------------------------------------------|---------|---------------------------------------------------------|-------|
|                                  | 2017                         | 2016    | Actual % | CER % | 2017                         | 2016 | 2017                                             | 2016    | Actual %                                                | CER % |
| (\$m, except change %)           |                              |         |          |       |                              |      |                                                  |         |                                                         |       |
| Sales .....                      | 2,884                        | 3,293   | -12%     | -14%  | -                            | -    | 2,884                                            | 3,293   | -12%                                                    | -14%  |
| Cost of goods sold .....         | (1,660)                      | (1,766) | 6%       | 6%    | (1)                          | (1)  | (1,659)                                          | (1,765) | 6%                                                      | 6%    |
| Gross profit .....               | 1,224                        | 1,527   | -20%     | -22%  | (1)                          | (1)  | 1,225                                            | 1,528   | -20%                                                    | -22%  |
| as a percentage of sales         | 42%                          | 46%     |          |       |                              |      | 43%                                              | 46%     |                                                         |       |
| Marketing and distribution ..... | (596)                        | (492)   | -21%     | -17%  | (5)                          | (4)  | (591)                                            | (488)   | -21%                                                    | -17%  |
| General and administrative ..... | (108)                        | (102)   | -6%      | -13%  | (49)                         | (45) | (59)                                             | (57)    | -4%                                                     | -17%  |
| Operating income .....           | 520                          | 933     | -44%     | -47%  | (55)                         | (50) | 575                                              | 983     | -42%                                                    | -44%  |
| as a percentage of sales         | 18%                          | 28%     |          |       |                              |      | 20%                                              | 30%     |                                                         |       |

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- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

Sales decreased by 12%, 14% at constant exchange rates with 6% lower sales volumes and 8% lower local currency sales prices. Sales volumes of crop protection products in Brazil were impacted by high inventories in the distribution channel, due to two years of adverse weather, reducing sales broadly across the industry; distributor inventories have now been reduced closer to normal levels. See “—Sales Commentary” above for further information on sales in the region. Gross profit margin reduced by approximately 4 percentage points, largely from reduced margins in crop protection products after the repositioning of the price of a fungicide due to signs of fungal resistance in certain formulations.

Marketing and distribution costs excluding restructuring and impairment were 21% higher than 2016, 17% at constant exchange rates, including an increased charge to provisions for doubtful receivables in Brazil, general salary and cost inflation and the increased expenditure on marketing implemented before the challenging market conditions became evident; actions were taken in the second half of the year to reduce resources, particularly in Brazil, but the impact on costs will largely be seen only in 2018.

General and administrative excluding restructuring and impairment was 4% higher than 2016, 17% higher at constant exchange rates largely due to local cost inflation and the amortization of the new integrated system platform. General and administrative in 2016 included losses of \$8 million on currency hedges; there was no similar gain or loss in 2017.

Restructuring and impairment charges were \$55 million in 2017 compared to \$50 million in 2016. The 2017 amount includes \$43 million for AOL restructuring projects, including completion of the project to establish an integrated system platform and restructuring of the management and commercial teams in Brazil, and \$10 million of share based payment charges related to the ChemChina Tender Offer. Charges in 2016 included \$37 million for AOL restructuring projects, mainly related to improving efficiencies in local processes and effectiveness of back office support services, including the establishment of an integrated system platform in Brazil, and \$7 million of share based payment charges related to the ChemChina Tender Offer.

## Asia Pacific

|                                  | Total as reported under IFRS |       | Change   |       | Restructuring and impairment |      | Before restructuring and impairment <sup>1</sup> |       | Change before restructuring and impairment <sup>1</sup> |       |
|----------------------------------|------------------------------|-------|----------|-------|------------------------------|------|--------------------------------------------------|-------|---------------------------------------------------------|-------|
|                                  | 2017                         | 2016  | Actual % | CER % | 2017                         | 2016 | 2017                                             | 2016  | Actual %                                                | CER % |
|                                  | (\$m, except change %)       |       |          |       |                              |      |                                                  |       |                                                         |       |
| Sales .....                      | 1,853                        | 1,839 | 1%       | -     | -                            | -    | 1,853                                            | 1,839 | 1%                                                      | -     |
| Cost of goods sold .....         | (988)                        | (986) | -        | 1%    | (1)                          | -    | (987)                                            | (986) | -                                                       | 1%    |
| Gross profit .....               | 865                          | 853   | 1%       | 2%    | (1)                          | -    | 866                                              | 853   | 2%                                                      | 2%    |
| as a percentage of sales .....   | 47%                          | 46%   |          |       |                              |      | 47%                                              | 46%   |                                                         |       |
| Marketing and distribution ..... | (293)                        | (279) | -5%      | -5%   | (2)                          | (2)  | (291)                                            | (277) | -5%                                                     | -5%   |
| General and administrative ..... | (64)                         | (66)  | 2%       | 2%    | (20)                         | (25) | (44)                                             | (41)  | -9%                                                     | -10%  |
| Operating income .....           | 508                          | 508   | -        | -     | (23)                         | (27) | 531                                              | 535   | -1%                                                     | -1%   |
| as a percentage of sales .....   | 27%                          | 28%   |          |       |                              |      | 29%                                              | 29%   |                                                         |       |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

Reported sales increased by 1%, but were flat at constant exchange rates, with both sales volumes and local currency sales prices broadly at the same levels as 2016. See “—Sales Commentary” above for further information regarding sales in the region. Gross profit margin improved by 1 percentage point, with favorable country mix in Crop Protection and lower charges to inventory provisions and write-offs in Seeds.

Marketing and distribution costs excluding restructuring and impairment were 5% higher, with general cost inflation and additional investment in business development, with several new product launches and planned expansion in resource to support Vegetable Seeds.

General and administrative excluding restructuring and impairment increased by 9%, 10% at constant exchange rates, again with general inflation and additional resource to support growth, particularly in China.

Restructuring and impairment charges in 2017 reduced to \$23 million. The 2017 amount includes \$18 million for AOL restructuring projects including restructuring at the regional headquarters and projects to improve effectiveness of back office support services and \$5 million of share based payment charges related to the ChemChina Tender Offer. Charges in 2016 included \$17 million for AOL restructuring projects including projects to improve effectiveness of back office support services and the net result on the sale of the Goa manufacturing site together with associated costs.

## Unallocated

Income and expense transactions in the regional business have been attributed to the geographic regions based on the market destination to which they relate, rather than on the region in which they originated. Some costs of the regional organization do not relate to a geographic destination and are reported as unallocated. These include global marketing teams, R&D and corporate headquarter functions. In addition, each region’s gross profit performance is based on standard product costs, with variances from the standard reported as unallocated in order to align the reported results with organizational responsibility. Unallocated also includes results of centrally managed currency and commodity hedging programs.

Unallocated costs reduced by \$296 million, or 15% from 2016, to \$1,612 million. Restructuring and impairment charges reduced by \$78 million; excluding this, unallocated costs reduced by \$218 million, or 13%, approximately 9% at constant exchange rates. Research and development expense excluding restructuring was 3% lower, 2% at constant exchange rates as further cost savings and productivity improvements under the AOL program were delivered. General and administrative is reported including currency hedging losses of \$6 million compared with losses of \$62 million in 2016. Excluding restructuring and impairment, General and administrative reduced by \$123 million. At constant exchange rates, taking into the account the net hedging result, these costs were approximately

\$67 million lower, largely due to gains reported on changes made to the defined benefit pension plans in the United States and Switzerland. Total gross costs of the global support function functions were approximately 1% lower than 2016 at constant exchange rates. Restructuring and impairment charges reported within Unallocated reduced by \$78 million to \$136 million. The 2017 amount includes \$37 million from AOL projects, mainly related to R&D productivity, approximately \$75 million of transaction costs related to the ChemChina Tender Offer, including charges for the incremental effect of applying cash-settled share based payment accounting and approximately \$16 million losses related to the divestment of a seeds crop. Charges in 2016 included \$61 million for the impairment of product rights where production challenges have increased the uncertainties of commercializing a product profitably, \$16 million for the write-down of a building subsequently divested in 2017, \$10 million to impair the assets of a seeds crop where expectations of future operating profitability were reduced and \$33 million from AOL projects, mainly related to R&D productivity. In addition, 2016 restructuring charges include \$50 million of transaction costs and \$36 million of costs for the incremental effect of applying cash-settled share based payment accounting due to share plan amendments related to the ChemChina Tender Offer. Details of restructuring and impairment for 2017 and 2016 are shown further below.

### Controls and Flowers

|                                  | Total as reported under IFRS |       | Change   |       | Restructuring and impairment |      | Before restructuring and impairment <sup>1</sup> |       | Change before restructuring and impairment <sup>1</sup> |       |
|----------------------------------|------------------------------|-------|----------|-------|------------------------------|------|--------------------------------------------------|-------|---------------------------------------------------------|-------|
|                                  | 2017                         | 2016  | Actual % | CER % | 2017                         | 2016 | 2017                                             | 2016  | Actual %                                                | CER % |
| (\$m, except change %)           |                              |       |          |       |                              |      |                                                  |       |                                                         |       |
| Sales .....                      | 681                          | 663   | 3%       | 3%    | -                            | -    | 681                                              | 663   | 3%                                                      | 3%    |
| Cost of goods sold .....         | (292)                        | (282) | -3%      | -4%   | (1)                          | -    | (291)                                            | (282) | -3%                                                     | -4%   |
| Gross profit .....               | 389                          | 381   | 2%       | 2%    | (1)                          | -    | 390                                              | 381   | 2%                                                      | 2%    |
| as a percentage of sales ....    | 57%                          | 57%   |          |       |                              |      | 57%                                              | 58%   |                                                         |       |
| Marketing and distribution.....  | (157)                        | (162) | 3%       | 4%    | (1)                          | (1)  | (156)                                            | (161) | 3%                                                      | 4%    |
| Research and development .....   | (53)                         | (52)  | -3%      | -3%   | -                            | -    | (53)                                             | (52)  | -3%                                                     | -3%   |
| General and administrative ..... | (47)                         | (50)  | 6%       | 5%    | (18)                         | (10) | (29)                                             | (40)  | 28%                                                     | 27%   |
| Operating income .....           | 132                          | 117   | 13%      | 11%   | (20)                         | (11) | 152                                              | 128   | 19%                                                     | 17%   |
| as a percentage of sales ....    | 19%                          | 18%   |          |       |                              |      | 22%                                              | 19%   |                                                         |       |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

Lawn and Garden, comprising the Controls and Flowers businesses, reported sales 3% higher in U.S. dollars and 3% higher at constant exchange rates, with higher sales volumes, particularly in Controls. See “—Sales Commentary” above for further information on sales in the segment. Gross profit margin was broadly flat with 2016.

Marketing and distribution costs, excluding restructuring and impairment were 3% lower, 4% lower at constant exchange rates. Research and development expense was 3% higher. General and administrative is reported net of a \$1 million currency hedging gain under the EBITDA hedging program compared with a \$3 million loss in 2016. General and administrative excluding restructuring and impairment was significantly lower than 2016 including the hedging result; at constant exchange rates, costs were 27% lower due to reducing the previous Lawn and Garden management layer to focus separately on the Controls and Flowers businesses.

Restructuring costs in 2017 increased by \$9 million to \$20 million; charges in 2017 included \$17 million related to the AOL program and \$3 million of share based payment charges related to the ChemChina Tender Offer.

### Defined Benefit Pensions

Defined benefit pension expense was a charge of \$71 million in 2017 compared with \$145 million in 2016. 2017 expense was lower because of past service gains of \$34 million in Switzerland and \$41 million in U.S. due to changes made to the pension plans in 2017 as described in Note 22 to the consolidated financial statements. Without these gains, the 2017 expense would have been similar to 2016. Syngenta expects 2018 defined benefit pension expense, excluding costs associated with restructuring, to be lower by a single digit percentage compared to the

2017 expense at constant exchange rates before taking into account the impact of Switzerland and U.S. plan changes. However, the final expense will be subject to the prevailing exchange rates in 2018.

Syngenta contributions to defined benefit pension plans were \$166 million in 2017 compared with \$161 million in 2016. These included early retirement contributions of \$6 million in 2017 and \$11 million in 2016. In 2018, Syngenta expects contributions to defined benefit pension plans, excluding early retirement contributions associated with restructuring actions, to increase to approximately \$230 million because of one time lump sum payments associated with the 2017 changes to the Swiss pension plan and with the revised schedule of contributions for the UK pension plan, as described in Note 22 to the consolidated financial statements.

## Restructuring and Impairment

Restructuring and impairment charges for the years ended December 31, 2017 and 2016, broken down into the main restructuring initiatives, consist of the following:

|                                                                   | For the year ended December 31, |            |
|-------------------------------------------------------------------|---------------------------------|------------|
|                                                                   | 2017                            | 2016       |
|                                                                   | (\$m)                           |            |
| <b>Accelerating operational leverage programs:</b>                |                                 |            |
| Cash costs .....                                                  | 283                             | 214        |
| Non-cash costs .....                                              | 1                               | 9          |
| <b>Integrated crop strategy programs:</b>                         |                                 |            |
| Expensed as incurred .....                                        | -                               | 1          |
| <b>Acquisition, divestment and related costs:</b>                 |                                 |            |
| Cash costs .....                                                  |                                 |            |
| Associated with industry consolidation, including ChemChina ..... | 7                               | 50         |
| Other acquisition and related costs .....                         | 24                              | 24         |
| Non-cash items .....                                              | 30                              | (12)       |
| <b>Other non-cash restructuring and impairment:</b>               |                                 |            |
| Other non-current asset impairments .....                         | 10                              | 121        |
| <b>Total Restructuring .....</b>                                  | <b>355</b>                      | <b>407</b> |

The above costs for the years ended December 31, 2017 and 2016 are presented within Restructuring in the consolidated income statement.

In addition to the above, of the \$95 million share based payment expense charged to the 2017 consolidated income statement (2016: \$141 million), \$81 million (2016: \$70 million) is the incremental effect of applying cash-settled share based payment accounting due to the share plan amendments related to the ChemChina Tender Offer, as described in Note 3. The \$81 million, along with an additional \$17 million of related social costs, is presented as costs of the functions in which the members of the share based payment plans work, by income statement line as shown below. Total share based payment expense charged to the consolidated income statement is disclosed in Note 23.

The total effect of the above mentioned material items is as follows:

|                                        | 2017       | 2016       |
|----------------------------------------|------------|------------|
|                                        | (\$m)      |            |
| Cost of goods sold .....               | 9          | 6          |
| Marketing and distribution .....       | 31         | 26         |
| Research and development .....         | 12         | 8          |
| Other general and administrative ..... | 46         | 30         |
| Subtotal .....                         | 98         | 70         |
| Restructuring .....                    | 355        | 407        |
| <b>Total .....</b>                     | <b>453</b> | <b>477</b> |

Restructuring represents the effect on reported performance of initiating and enabling business changes that are considered major and that, in the opinion of management, will have a material effect on the nature and focus of



Syngenta's operations, and therefore require separate disclosure to provide a more thorough understanding of business performance. Restructuring includes the incremental costs of closing, restructuring or relocating existing operations, and gains or losses from related asset disposals. Restructuring also includes the costs of analyzing and preparing for potential industry consolidation transactions, including costs associated with the ChemChina Tender Offer, as well as the effects of completing and integrating significant business combinations and divestments, including related transaction costs, gains and losses. Recurring costs of normal business operations and routine asset disposal gains and losses are excluded.

Impairment includes impairment losses associated with major restructuring as well as impairment losses and reversals of impairment losses resulting from major changes in the markets in which a reported segment operates.

The incidence of these business changes may be periodic and the effect on reported performance of initiating them will vary from period to period. Because each such business change is different in nature and scope, there will be little continuity in the detailed composition and size of the reported amounts which affect performance in successive periods. Separate disclosure of these amounts facilitates the understanding of performance including and excluding items affecting comparability. Syngenta's definition of restructuring and impairment may not be comparable to similarly titled line items in financial statements of other companies.

## **Analysis of Restructuring Costs**

### **2017**

#### *Accelerating Operational Leverage Programs*

Cash costs of \$229 million, including \$30 million of severance and pension charges and \$44 million of information systems projects, consist of \$97 million for initiatives to restructure marketing and commercial operations, \$61 million for projects to improve the effectiveness of back office support, \$38 million for Research and Development productivity projects, \$27 million for activity to optimize production and supply and \$6 million for project management. A further \$54 million of severance and pension costs were incurred to simplify the layers of management, including at the global headquarters.

Non-cash costs included tangible asset write-downs associated with the above projects.

#### *Acquisition, Divestment and Related Costs*

Cash costs include \$7 million of costs related to the ChemChina Tender Offer. Other acquisition and related integration costs include \$17 million of transaction costs and \$7 million incurred for integration projects. Non-cash items include \$45 million of asset impairments and divestment losses related to the sugarbeet business, which was divested during September, gains of \$16 million on the sale of product rights in the USA and Mexico and a small impairment for assets acquired in an earlier transaction.

#### *Other Non-Cash Restructuring*

Other non-current asset impairments consist of an additional \$5 million for two sites in the U.S. that were classified as held-for-sale at the end of 2016 and sold during the first half of 2017 and the impairment of a research collaboration agreement whose future benefit has become less certain.

### **2016**

#### *Accelerating Operational Leverage Programs*

Cash costs of \$214 million, including \$36 million of severance and pension charges and \$35 million of information systems projects, consisted of \$95 million for initiatives to restructure marketing and commercial operations, \$61 million for projects to improve the effectiveness of back office support, \$30 million for Research and Development productivity projects, \$23 million for activity to optimize production and supply and \$5 million for project management.

Non-cash costs included tangible asset write-downs associated with the above projects.

### *Integrated Crop Strategy Programs*

The integrated crop strategy programs announced in 2011 were substantially completed and final costs in 2016 related to the completion of certain projects initiated before the end of 2015.

### *Acquisition, Divestment and Related Costs*

Cash costs included \$50 million of transaction costs related to the ChemChina Tender Offer. Other cash costs included \$13 million of transaction costs and \$11 million incurred for integration projects, including the divestment of the Goa manufacturing site and the Bioline beneficial insects breeding business and the subsequently canceled projects to divest the Flowers and Vegetables businesses.

Non-cash items consisted of aggregate gains of \$12 million on sale of the Bioline beneficial insects breeding business and the manufacturing site in Goa.

### *Other Non-Cash Restructuring*

Other non-current asset impairments included \$61 million for the impairment of product rights where production challenges increased the uncertainties of commercializing a product profitably, \$31 million for the impairment of two sites and \$16 million for the write-down of a building, both in the U.S., \$10 million to impair the assets of a seeds crop where expectations of future operating profitability reduced and various other small write-downs.

## **Financial Expense, Net**

Financial expense, net reduced by \$113 million in 2017 to \$178 million. Currency related financial expenses in 2017 of \$132 million were \$121 million lower than 2016 due to reduced exposure in Latin American countries after an internal capital optimization. Net interest expense at \$10 million was \$9 million lower than 2016 with a lower level of average net debt in 2017.

## **Taxes**

In 2017, Syngenta recorded a net tax credit of \$20 million on a loss before taxes of \$116 million, an effective tax rate of 17%. The loss before taxes arose due to the litigation provision noted above, the effect of which reduced the effective tax rate by 3%. Syngenta has assumed that all of the provision will be deductible for income tax, at the latest in the period in which a settlement is paid, but that deductions will be claimed in more than one jurisdiction. Syngenta has used an average of the tax rates of the relevant jurisdictions to estimate the tax credit on the provision. The ultimate benefit realized may be different and this difference may have a material effect on Syngenta's income tax expense for future years.

Excluding this provision and related tax credit, Syngenta's effective tax rate in 2017 would have been 20%, compared to a 13% effective tax rate for 2016. This 7% increase in 2017 is primarily due to the non-cash revaluation of Syngenta's deferred tax asset balances as a result of the U.S. tax reforms. Syngenta's Swiss domestic statutory tax rate was 22% in both years. Income taxed at different rates reduced the effective tax rate by 8% in 2017, compared with a 2% increase in 2016 due to differences in the mix of jurisdictions in which estimated taxable profits arose in the respective years, and to the impact of the changes made to require cash settlement of share awards contingent on completion of the ChemChina Tender Offer. Changes to prior year income tax estimates had no impact on the effective tax rate in 2017, compared with a 6% decrease in 2016 which was due to the release of several prior year related tax risk provisions as further disclosed in Note 2 to the consolidated financial statements. Excluding the effect of the litigation provision, the percentage of estimated income before taxes in Switzerland increased significantly in 2017 as a proportion of total group income. The largest single driver of this change was the trading losses incurred in Brazil in 2017, compared to the taxable profit realized in Brazil in 2016. Non-recognition of deferred tax assets in Brazil increased the tax rate by 4% in 2017, whereas the effect of tax reforms and improved local profitability in Argentina allowed recognition of deferred tax assets that had not been recognized in prior years, which reduced the tax rate by 3%. In 2016, non-recognition of deferred tax assets was not material and did not impact the tax rate.

The tax rate on restructuring and impairment was 20% in 2017, compared with 18% for 2016, due to the different mix of gains and losses included in the net charge over the period and the varying tax treatments applied in

different countries. Future rates applicable to restructuring and impairment will be dependent on the nature and size of the charges and may vary from year to year.

### Net Income for the Period and Other Supplementary Income Data

Net income attributable to Syngenta shareholders in 2017 was a loss of \$98 million, compared to a profit of \$1,178 million in 2016. Approximately \$1,248 million of the 2017 net loss related to the post-tax impact of the Viptera litigation provision; excluding this charge, net income was \$1,150 million, 2% lower than the overall 2016 net income. Sales were 1% lower and operating income margin excluding the litigation provision was 0.2 percentage points lower in 2017 than 2016. Following lower financial expense, net, income before taxes excluding the litigation provision was 5% higher in 2017. With a higher tax rate as a result of the impact on deferred tax assets of the U.S. tax reform, net income before the litigation provision was 2% below 2016.

After related taxation, restructuring and impairment charges (including the incremental share based payment charges noted above) were \$361 million in 2017 compared with \$390 million in 2016, with a lower level of impairments of non-current assets and transaction costs associated with the ChemChina Tender Offer offset by increased restructure charges under the AOL program and a loss on the disposal of the sugarbeet business.

### 2016 Compared with 2015

#### Sales Commentary

Syngenta's consolidated sales for 2016 were \$12,790 million, compared with \$13,411 million in 2015, a 5% decrease year on year. At constant exchange rates sales decreased by 2%. The analysis by segment is as follows:

| Segment                              | Change                 |        |          |               |       |            |          |
|--------------------------------------|------------------------|--------|----------|---------------|-------|------------|----------|
|                                      | 2016                   | 2015   | Volume % | Local price % | CER % | Currency % | Actual % |
|                                      | (\$m, except change %) |        |          |               |       |            |          |
| Europe, Africa and Middle East ..... | 3,793                  | 3,884  | +1       | +4            | +5    | -7         | -2       |
| North America.....                   | 3,202                  | 3,410  | -5       | -1            | -6    | —          | -6       |
| Latin America .....                  | 3,293                  | 3,632  | -13      | +4            | -9    | —          | -9       |
| Asia Pacific .....                   | 1,839                  | 1,837  | +2       | —             | +2    | -2         | —        |
| Total regional .....                 | 12,127                 | 12,763 | -4       | +2            | -2    | -3         | -5       |
| Controls and Flowers .....           | 663                    | 648    | +4       | —             | +4    | -2         | +2       |
| Group sales.....                     | 12,790                 | 13,411 | -4       | +2            | -2    | -3         | -5       |

#### Europe, Africa and Middle East

Sales decreased by 2%, but increased 5% at constant exchange rates with volume and local currency price increases of 1% and 4% respectively. Full year sales growth was achieved despite exceptionally difficult weather conditions affecting north-west Europe in the second quarter. The main growth driver was an excellent performance in the CIS, with an expansion of strong market positions in both crop protection and seeds. Volumes increased in both Russia and Ukraine, with further price increases implemented to offset the impact of currency depreciation. In the fourth quarter, Ukraine made a major contribution with an early start to the season and sales recovered strongly in Africa and Middle East in the final quarter as drought conditions eased.

#### North America

Sales in North America declined by 6% with volume decreases of 5% and local currency price declines of 1%. Crop protection sales were unchanged despite challenging grower economics and the deliberate reduction in glyphosate. A total of 16 new products were introduced, including the launch of the fungicides TRIVAPRO™ and ORONDIS™. In the corn herbicide market, ACURON™ continued to win recognition for its control of resistant weeds, and full year sales exceeded \$200 million. Seeds sales were lower, largely due to the non-recurrence of the corn trait royalty.

## Latin America

Sales decreased by 9% and also decreased by 9% at constant exchange rates. Reported volumes declined by 13%, but local currency prices increased by 4%. Excluding the impact of the change in sales terms, sales were 3% lower. While sales were curtailed in Venezuela, business improved significantly in Argentina as the new government implemented reforms to support agriculture. In Brazil, conditions improved in the Cerrados in the second half but worsened in other growing areas as dry weather moved south. Insecticides sales continue to be constrained by a high level of channel inventories and by soybean trait adoption. Corn seed sales progressed strongly, underpinned by the success of the VIPTERA™ trait.

## Asia Pacific

Sales in Asia Pacific were flat year on year with volume increases of 2% offset by currency impacts. El Niño receded towards the end of the second quarter and the business recovered strongly in the second half. Channel inventory in ASEAN was reduced, contributing to a rebound in demand, particularly for fungicides and insecticides. Sales in South Asia also saw a strong second half, benefiting from new launches in crop protection and expansion of vegetables and corn seeds.

## Controls and Flowers: Major Brands ICON®, GOLDFISCH®, GOLDSMITH SEEDS, YODER®, SYNGENTA FLOWERS

Sales increased by 2% with volume increases of 4% partially offset by currency impacts. At constant exchange rates, sales increased by 4%. Sales growth was driven by high demand for vector controls, including ACTELLIC CS, a longer-lasting, more effective product to prevent the spread of malaria. Growth in turf was mainly driven by golf course sales in North America.

Sales by product line are set out below:

|                                  | Product line           |        | Change   |               |       |            |          |
|----------------------------------|------------------------|--------|----------|---------------|-------|------------|----------|
|                                  | 2016                   | 2015   | Volume % | Local price % | CER % | Currency % | Actual % |
|                                  | (\$m, except change %) |        |          |               |       |            |          |
| Selective herbicides .....       | 2,853                  | 2,894  | -1       | +3            | +2    | -3         | -1       |
| Non-selective herbicides .....   | 773                    | 913    | -5       | -8            | -13   | -2         | -15      |
| Fungicides .....                 | 3,157                  | 3,357  | -8       | +4            | -4    | -2         | -6       |
| Insecticides .....               | 1,643                  | 1,705  | -4       | +2            | -2    | -2         | -4       |
| Seedcare .....                   | 1,003                  | 994    | +3       | +2            | +5    | -4         | +1       |
| Other crop protection .....      | 142                    | 142    | +1       | -1            | —     | —          | —        |
| Total Crop Protection .....      | 9,571                  | 10,005 | -4       | +2            | -2    | -2         | -4       |
| Corn and soybean .....           | 1,375                  | 1,564  | -10      | -1            | -11   | -1         | -12      |
| Diverse field crops .....        | 666                    | 658    | +9       | +2            | +11   | -10        | +1       |
| Vegetables .....                 | 616                    | 616    | -1       | +4            | +3    | -3         | —        |
| Total Seeds .....                | 2,657                  | 2,838  | -4       | +1            | -3    | -3         | -6       |
| Elimination <sup>(1)</sup> ..... | (101)                  | (80)   | n/a      | n/a           | n/a   | n/a        | n/a      |
| Total regional .....             | 12,127                 | 12,763 | -4       | +2            | -2    | -3         | -5       |
| Controls and Flowers .....       | 663                    | 648    | +4       | —             | +4    | -2         | +2       |
| Group sales .....                | 12,790                 | 13,411 | -4       | +2            | -2    | -3         | -5       |

(1) Crop Protection sales to Seeds

## Crop Protection

Selective herbicides: Major Brands ACURON™, AXIAL®, CALLISTO® family, DUAL MAGNUM®, BICEP® II MAGNUM, FUSILADE® Max, FLEX®, TOPIK®

Sales decreased by 1%, but increased by 2% at constant exchange rates with a volume decline of 1% offset by local currency price increases of 3%. Sales growth was driven by EAME and North America. In Europe, AXIAL® continued its success on cereals and CALLISTO® expanded on corn in Africa and the CIS. In North America the main growth driver was the continued adoption by U.S. growers of the novel corn herbicide ACURON™, combining three modes of action and four active ingredients.

*Non-selective herbicides: major brands GRAMOXONE<sup>®</sup>, TOUCHDOWN<sup>®</sup>*

Sales decreased by 15%, 13% at constant exchange rates. Volumes declined by 5% and local currency prices decreased by 8%. Performance reflected the deliberate reduction in solo glyphosate, now complete, undertaken in order to improve profitability. At the same time glyphosate prices continue to decline. Sales of GRAMOXONE<sup>®</sup> were also lower, with volumes in the first half affected by dry weather in ASEAN, and some price pressure from generics in North America.

*Fungicides: Major Brands ALTO<sup>®</sup>, AMISTAR<sup>®</sup>, BONTIMA<sup>®</sup>, BRAVO<sup>®</sup>, ELATUS<sup>™</sup>, MIRAVIS<sup>™</sup> (based on ADEPIDYN<sup>™</sup>), MODDUS<sup>®</sup>, REVUS<sup>®</sup>, RIDOMIL GOLD<sup>®</sup>, SCORE<sup>®</sup>, SEGURIS<sup>®</sup>, UNIX<sup>®</sup>*

Fungicide sales decreased by 6%, 4% at constant exchange rates. Volume declines of 8% were partially offset by local currency price increases of 4%. North America saw good growth as new products ORONDIS<sup>™</sup> and TRIVAPRO<sup>™</sup> (based on SOLATENOL<sup>™</sup>) gained momentum. EAME sales were higher at constant exchange rates despite a difficult first half, when wet weather resulted in missed sprays; the second half saw a strong recovery, with late season demand in cereals and good demand on specialty crops. Innovation continued to expand the portfolio with the launch in the fourth quarter of ELATUS<sup>®</sup> PLUS in France and MIRAVIS<sup>™</sup> Duo (based on ADEPIDYN<sup>™</sup>) in Argentina.

*Insecticides: Major Brands ACTARA<sup>®</sup>, DURIVO<sup>®</sup>, FORCE<sup>®</sup>, KARATE<sup>®</sup>, PROCLAIM<sup>®</sup>, VERTIMEC<sup>®</sup>*

Sales fell by 4% and were 2% lower at constant exchange rates with volumes declining by 4% and local currency prices 2% higher. Insecticides saw growth across the northern hemisphere, with particularly good performances by ACTARA<sup>®</sup>, DURIVO<sup>®</sup> and KARATE<sup>®</sup>. In Brazil, sales were affected by low insect pressure and soybean trait penetration, with channel inventories remaining high. Sales in Asia Pacific, which were affected by drought in the first half of the year, rebounded strongly in the second half.

*Seedcare: Major Brands AVICTA<sup>®</sup>, CRUISER<sup>®</sup>, DIVIDEND<sup>®</sup>, CELEST<sup>®</sup>/MAXIM<sup>®</sup>, VIBRANCE<sup>™</sup>*

Seedcare sales were 1% higher, 5% higher at constant exchange rates. Volumes grew by 3% and local currency prices were 2% higher. CRUISER<sup>®</sup> showed good growth in a number of European markets despite limitations on its use for certain crops. Sales in Canada staged a strong recovery, led by the fungicide VIBRANCE<sup>™</sup>, which was more than offset in North America by lower treatment intensity and higher inventory in the USA.

## **Seeds**

*Corn and Soybean: Major Brands AGRISURE<sup>®</sup>, GOLDEN HARVEST<sup>®</sup>, NK<sup>®</sup>*

Sales declined by 12% and were down 11% at constant exchange rates. Volumes were 10% lower and local currency prices were 1% lower. Sales in the fourth quarter were affected by the non-recurrence of the \$200 million corn trait royalty received from KWS/Limagrain in the fourth quarter of 2015. This revenue was recorded in North America (\$145 million) and Latin America (\$55 million). Full year branded corn seed sales were slightly higher in the USA but lower in Europe due to reduced acreage. In Latin America there was strong underlying growth in both Brazil and Argentina supported by the adoption of VIPTERA<sup>™</sup> trait technology. Soybean sales were lower in a competitive environment.

*Diverse Field Crops: Major Brands NK<sup>®</sup> Oilseeds*

Sales increased by 1% and were 11% higher at constant exchange rates with volumes increasing by 9% and local currency prices 2%. Sunflower sales grew strongly in Russia and Ukraine. In addition to increased acreage, growers continue to adopt superior genetics with a proven track record on the field. Sugarbeet sales also increased.

*Vegetables: Major Brands ROGERS<sup>™</sup>, S&G<sup>®</sup>*

Vegetables sales were flat year on year, but 3% higher at constant exchange rates with local currency price increases of 4% partially offset by a volume decline of 1%. Demand was strong in Latin America, notably in Brazil and Mexico, as favorable currency rates improved growers' profitability in export markets. South Asia sales also performed well in crops such as cabbage, cauliflower and okra. Price increases were achieved in all regions, reflecting the ability to capture value from a high quality portfolio of hybrids.

## Operating Income

Variances in the tables below reflect the profit impact of changes year on year. For example, an increase of sales or a decrease in costs is a positive variance and a decrease in sales or increase in costs is a negative variance.

### Group Operating Income

|                                  | Total as reported under IFRS |         | Change   |       | Restructuring and impairment |       | Before restructuring and impairment <sup>1</sup> |         | Change before restructuring and impairment <sup>1</sup> |       |
|----------------------------------|------------------------------|---------|----------|-------|------------------------------|-------|--------------------------------------------------|---------|---------------------------------------------------------|-------|
|                                  | 2016                         | 2015    | Actual % | CER % | 2016                         | 2015  | 2016                                             | 2015    | Actual %                                                | CER % |
|                                  | (\$m, except change %)       |         |          |       |                              |       |                                                  |         |                                                         |       |
| Sales .....                      | 12,790                       | 13,411  | -5%      | -2%   | —                            | —     | 12,790                                           | 13,411  | -5%                                                     | -2%   |
| Cost of goods sold .....         | (6,507)                      | (7,042) | 8%       | 6%    | (6)                          | —     | (6,501)                                          | (7,042) | 8%                                                      | 6%    |
| Gross profit .....               | 6,283                        | 6,369   | -1%      | 2%    | (6)                          | —     | 6,289                                            | 6,369   | -1%                                                     | 2%    |
| as a percentage of sales .....   | 49%                          | 48%     |          |       |                              |       | 49%                                              | 48%     |                                                         |       |
| Marketing and distribution ..... | (2,117)                      | (2,210) | 4%       | 1%    | (26)                         | —     | (2,091)                                          | (2,210) | 5%                                                      | 2%    |
| Research and development .....   | (1,299)                      | (1,362) | 5%       | 1%    | (8)                          | —     | (1,291)                                          | (1,362) | 5%                                                      | 2%    |
| General and administrative ..... | (1,220)                      | (956)   | -28%     | -24%  | (437)                        | (388) | (783)                                            | (568)   | -38%                                                    | -30%  |
| Operating income .....           | 1,647                        | 1,841   | -11%     | -3%   | (477)                        | (388) | 2,124                                            | 2,229   | -5%                                                     | 2%    |
| as a percentage of sales .....   | 13%                          | 14%     |          |       |                              |       | 17%                                              | 17%     |                                                         |       |

### Operating Income/(Loss)

|                                      | 2016                   | 2015    | Change % |
|--------------------------------------|------------------------|---------|----------|
|                                      | (\$m, except change %) |         |          |
| Europe, Africa and Middle East ..... | 1,204                  | 1,155   | 4%       |
| North America .....                  | 793                    | 973     | -18%     |
| Latin America .....                  | 933                    | 890     | 5%       |
| Asia Pacific .....                   | 508                    | 484     | 5%       |
| Unallocated .....                    | (1,908)                | (1,781) | -7%      |
| Total regional .....                 | 1,530                  | 1,721   | -11%     |
| Controls and Flowers .....           | 117                    | 120     | -2%      |
| Group .....                          | 1,647                  | 1,841   | -11%     |

The two tables above do not represent income statements prepared under IFRS. Please refer to the information reported in the consolidated financial statements included in the 2016 Form 20-F incorporated by reference herein.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

### Overall Group Operating Income

Operating income decreased by 11% to \$1,647 million as the inclusion in 2015 of \$200 million of license income received from KWS and Limagrain and the impact of the change in sales terms in Brazil, together with the adverse impact of generally weaker currencies versus the U.S. dollar and increased charges to Restructuring more than offset cost savings and local currency sales price increases. Overall, weaker currencies reduced operating income by approximately \$153 million, including a significant adverse impact from the Russian ruble and Ukrainian hryvnia. The ruble and hryvnia currency impact was significantly offset by local currency sales price increases in Russia and the Ukraine. Excluding these currencies in the CIS, the adverse impact on operating income of exchange rate movements, including the net hedging result from the EBITDA hedging program, is estimated at approximately \$45 million. Excluding restructuring and impairment, the ratio of operating income to sales was broadly flat.

Sales declined by 5%, 2% at constant exchange rates with sales volumes 4% lower; license income received from KWS and Limagrain and the impact of the change in selling terms in Brazil in 2015 increased reported 2015 volumes by 3%. Volumes were reduced in 2016 by the stop in sales to Venezuela due to delayed payment from the previous season and the final year of deliberate reduction in sales of low margin solo glyphosate, which together

reduced sales volumes by 1%. Overall local currency sales prices were 2% higher, driven by price increases in Russia and the Ukraine to significantly offset currency weakness in those countries and after absorbing lower prices for solo glyphosate; prices otherwise were approximately 1% higher, with price increases in Brazil to mitigate the currency weakness in 2015. Exchange rate movements reduced sales by \$344 million, or 3%. Gross profit margin increased by 1.6 percentage points, 1.7 percentage points excluding restructuring and impairment. The license agreement signed with KWS and Limagrain increased 2015 gross profit margin by 0.8 percentage points; excluding this, gross profit margin was approximately 2.5 percentage points higher, with higher margins in both Crop Protection and Seeds products, but particularly Crop Protection as a result of higher sales prices and lower product costs from savings under the AOL program and lower oil related costs.

Marketing and distribution costs were 4% lower; costs were 5% lower excluding restructuring and impairment, 2% at constant exchange rates, with lower charges for doubtful receivables, particularly in Eastern Europe and Brazil, and Marketing and distribution cost savings from restructuring activities. Research and development expense decreased by 5% and excluding restructuring and impairment was 2% lower at constant exchange rates with cost savings and productivity increases from ongoing AOL restructuring. Research and development expense remained broadly flat as a percentage of sales.

General and administrative including restructuring and impairment was 28% higher than 2015, 38% higher excluding restructuring and impairment. General and administrative is reported net of the result of currency hedging programs, which in 2016 was a net expense of \$73 million compared with a Net income of \$21 million in 2015. At constant exchange rates, taking into account both variances in underlying costs and the change in the net hedging result from year to year, General and administrative excluding restructuring and impairment was 30% higher than 2015. General and administrative costs in global support functions, including Business Services, are charged out to the segments and to the global R&D and Production and Supply operations in U.S. dollars at amounts fixed at the start of the year and are then reported in Cost of goods sold, Research and development expense and Marketing and distribution expense; as a result, the impact of currency movements on reported General and administrative is calculated based on the gross expenditure before these recharges. As a result of general currency weakness relative to the U.S. dollar, an excess recharge was recorded in 2015 compared to gross costs incurred, which was not repeated in 2016. 2015 also included higher gains on the disposal of non-current assets, in particular land in Switzerland, than were recorded in 2016 and litigation expenses in 2016 increased from the level of 2015, particularly in the US.

Restructuring and impairment, together with the incremental effect of applying cash-settled share based payment accounting due to the share plan amendments related to the ChemChina Tender Offer, is described in the restructuring and impairment section in this Operating and Financial Review and Prospects and increased by \$89 million in 2016 to \$477 million due to the advisory and share based payment costs related to the ChemChina Tender Offer and increased impairments of non-current assets.

### ***Operating Income by Segment***

#### ***Europe, Africa and Middle East***

|                                  | Total as reported under IFRS |         | Change   |       | Restructuring and impairment |       | Before restructuring and impairment <sup>1</sup> |         | Change before restructuring and impairment <sup>1</sup> |       |
|----------------------------------|------------------------------|---------|----------|-------|------------------------------|-------|--------------------------------------------------|---------|---------------------------------------------------------|-------|
|                                  | 2016                         | 2015    | Actual % | CER % | 2016                         | 2015  | 2016                                             | 2015    | Actual %                                                | CER % |
|                                  | (\$m, except change %)       |         |          |       |                              |       |                                                  |         |                                                         |       |
| Sales .....                      | 3,793                        | 3,884   | -2%      | 5%    | —                            | —     | 3,793                                            | 3,884   | -2%                                                     | 5%    |
| Cost of goods sold .....         | (1,801)                      | (1,889) | 5%       | 2%    | —                            | —     | (1,801)                                          | (1,889) | 5%                                                      | 2%    |
| Gross profit .....               | 1,992                        | 1,995   | —        | 11%   | —                            | —     | 1,992                                            | 1,995   | —                                                       | 11%   |
| as a percentage of sales         | 53%                          | 51%     |          |       |                              |       | 53%                                              | 51%     |                                                         |       |
| Marketing and distribution ..... | (554)                        | (586)   | 6%       | 2%    | (9)                          | —     | (545)                                            | (586)   | 7%                                                      | 4%    |
| General and administrative ..... | (234)                        | (254)   | 8%       | 5%    | (98)                         | (128) | (136)                                            | (126)   | -8%                                                     | -10%  |
| Operating income .....           | 1,204                        | 1,155   | 4%       | 21%   | (107)                        | (128) | 1,311                                            | 1,283   | 2%                                                      | 17%   |
| as a percentage of sales         | 32%                          | 30%     |          |       |                              |       | 35%                                              | 33%     |                                                         |       |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements included in the 2016 Form 20-F incorporated by reference herein.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

Reported sales in Europe, Africa and Middle East were 2% below 2015, but had been reduced by approximately 7% due to generally weaker exchange rates relative to the U.S. dollar, particularly the Russian ruble and Ukrainian hryvnia. At constant exchange rates, sales were 5% above 2015, with local currency price increases of 4%, principally in the CIS to compensate the currency weakness, and 1% higher sales volumes. See “—Sales Commentary” above for further information on sales in the region.

Gross profit margin was 1.1 percentage points higher, 2.9 percentage points at constant exchange rates. The local currency price increases in Russia and the Ukraine offset the adverse impact of exchange rate weakness and together with product cost savings drove an improved gross profit margin.

Marketing and distribution costs, excluding restructuring and impairment, were 7% lower, 4% at constant exchange rates, with lower charges for doubtful receivables in Eastern Europe and cost savings realized under the AOL restructuring program.

General and administrative was 8% lower including decreased restructuring charges. Excluding restructuring and impairment, General and administrative was 8% higher, 10% at constant exchange rates due to a gain recorded in 2015 on the disposal of land in Switzerland.

Restructuring and impairment charges were \$107 million in 2016 compared with \$128 million in 2015. Charges in 2016 include \$100 million related to progressing the AOL restructuring program, including restructuring the marketing organization, the relocation of certain support activities to lower cost countries and associated tangible asset write-downs, \$9 million of share-based payment charges related to the ChemChina Tender Offer and \$7 million for integration projects, including costs related to the divestment of the Bioline beneficial insects breeding business. The gain from the divestment is also reported in restructuring and impairment. Charges in 2015 include \$107 million related to progressing the AOL restructuring program, and \$7 million for the integration of acquisitions completed in previous years.

Operating income as a percentage of sales was 2 percentage points higher in 2016, approximately 4 percentage points higher at constant exchange rates excluding restructuring and impairment, driven by the improved gross profit margin.

#### North America

|                                  | Total as reported under IFRS |         | Change   |       | Restructuring and impairment |      | Before restructuring and impairment <sup>1</sup> |         | Change before restructuring and impairment <sup>1</sup> |       |
|----------------------------------|------------------------------|---------|----------|-------|------------------------------|------|--------------------------------------------------|---------|---------------------------------------------------------|-------|
|                                  | 2016                         | 2015    | Actual % | CER % | 2016                         | 2015 | 2016                                             | 2015    | Actual %                                                | CER % |
|                                  | (\$m, except change %)       |         |          |       |                              |      |                                                  |         |                                                         |       |
| Sales .....                      | 3,202                        | 3,410   | -6%      | -6%   | —                            | —    | 3,202                                            | 3,410   | -6%                                                     | -6%   |
| Cost of goods sold .....         | (1,720)                      | (1,779) | 3%       | 3%    | (2)                          | —    | (1,718)                                          | (1,779) | 3%                                                      | 3%    |
| Gross profit .....               | 1,482                        | 1,631   | -9%      | -8%   | (2)                          | —    | 1,484                                            | 1,631   | -9%                                                     | -8%   |
| as a percentage of sales .....   | 46%                          | 48%     |          |       |                              |      | 46%                                              | 48%     |                                                         |       |
| Marketing and distribution ..... | (528)                        | (537)   | 2%       | 1%    | (8)                          | —    | (520)                                            | (537)   | 3%                                                      | 3%    |
| General and administrative ..... | (161)                        | (121)   | -33%     | -34%  | (58)                         | (37) | (103)                                            | (84)    | -23%                                                    | -23%  |
| Operating income .....           | 793                          | 973     | -18%     | -17%  | (68)                         | (37) | 861                                              | 1,010   | -15%                                                    | -14%  |
| as a percentage of sales .....   | 25%                          | 29%     |          |       |                              |      | 27%                                              | 30%     |                                                         |       |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements included in the 2016 Form 20-F incorporated by reference herein.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

Reported sales decreased by 6%, 6% at constant exchange rates, with sales volumes 5% lower and 1% lower local currency sales prices. See “—Sales Commentary” above for further information on sales in the region. Sales in 2015 included \$145 million from the license agreement with KWS and Limagrain, which increased the gross profit



margin by approximately 2.3 percentage points; excluding this, gross profit margin was approximately 0.8 percentage points higher in 2016, approximately 1.3 percentage points at constant exchange rates, with higher margins in Crop Protection, partly due to the further reduction in sales volumes of lower margin solo glyphosate sales and improved margins in corn seeds.

Marketing and distribution costs excluding restructuring and impairment were 3% lower, 3% at constant exchange rates, with savings from restructuring within both the marketing and distribution functions.

General and administrative excluding restructuring and impairment was 23% higher than 2015, 23% at constant exchange rates, due to increased litigation expenses in 2016, a settlement gain in 2015 relating to the U.S. defined benefit pension plan and the realization of insurance proceeds relating to claims made in prior years, where recovery had not previously been assumed.

Restructuring and impairment costs were \$31 million higher than 2015 and in 2016 included \$26 million from AOL projects, \$13 million of share based payment charges related to the ChemChina Tender Offer and \$25 million of impairments related to two sites now classified as held-for-sale. Charges in 2015 included \$23 million under the AOL program, including a minor impairment related to the closure of a seeds plant in the US, and \$7 million of impairment of exclusive distribution rights where an agreement was terminated.

Operating income as a percentage of sales decreased by 4 percentage points, 3 percentage points excluding restructuring and impairment largely from the favorable impact in 2015 of the \$145 million license income from the agreement with KWS and Limagrain and increased litigation expenses in 2016.

#### Latin America

|                                  | Total as reported under IFRS |         | Change   |       | Restructuring and impairment |      | Before restructuring and impairment <sup>1</sup> |         | Change before restructuring and impairment <sup>1</sup> |       |
|----------------------------------|------------------------------|---------|----------|-------|------------------------------|------|--------------------------------------------------|---------|---------------------------------------------------------|-------|
|                                  | 2016                         | 2015    | Actual % | CER % | 2016                         | 2015 | 2016                                             | 2015    | Actual %                                                | CER % |
|                                  | (\$m, except change %)       |         |          |       |                              |      |                                                  |         |                                                         |       |
| Sales .....                      | 3,293                        | 3,632   | -9%      | -9%   | —                            | —    | 3,293                                            | 3,632   | -9%                                                     | -9%   |
| Cost of goods sold .....         | (1,766)                      | (2,118) | 17%      | 14%   | (1)                          | —    | (1,765)                                          | (2,118) | 17%                                                     | 14%   |
| Gross profit .....               | 1,527                        | 1,514   | 1%       | -3%   | (1)                          | —    | 1,528                                            | 1,514   | 1%                                                      | -3%   |
| as a percentage of sales .....   | 46%                          | 42%     |          |       |                              |      | 46%                                              | 42%     |                                                         |       |
| Marketing and distribution ..... | (492)                        | (557)   | 12%      | 4%    | (4)                          | —    | (488)                                            | (557)   | 12%                                                     | 5%    |
| General and administrative ..... | (102)                        | (67)    | -53%     | -12%  | (45)                         | (28) | (57)                                             | (39)    | -47%                                                    | 41%   |
| Operating income .....           | 933                          | 890     | 5%       | -3%   | (50)                         | (28) | 983                                              | 918     | 7%                                                      | —     |
| as a percentage of sales .....   | 28%                          | 25%     |          |       |                              |      | 30%                                              | 25%     |                                                         |       |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements included in the 2016 Form 20-F incorporated by reference herein.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

Sales decreased by 9%, 9% at constant exchange rates with 13% lower sales volumes partially offset by 4% higher local currency sales prices. See “—Sales Commentary” above for further information on sales in the region. Gross profit margin increased by approximately 4.7 percentage points, approximately 2.9 percentage points at constant exchange rates. Sales in 2015 included \$55 million from the license agreement with KWS and Limagrain, which increased the gross profit margin by approximately 0.9 percentage points. Gross profit margin was higher in 2016 due to the increased sales prices, reduced inventory provisions in seeds and lower product costs, more than offsetting the impact of the stop in higher margin sales to Venezuela.

Marketing and distribution costs excluding restructuring and impairment were 12% lower than 2015, 5% at constant exchange rates, with lower charges to provisions for doubtful receivables in Brazil than recorded in 2015.

General and administrative excluding restructuring and impairment was 47% higher than 2015, but 41% lower at constant exchange rates largely due to cost reductions in the support functions. General and administrative in 2016 was net of currency hedging losses of \$8 million, compared with gains of \$27 million in 2015.

Restructuring and impairment costs increased by \$22 million to \$50 million in 2016. The 2016 amount includes \$37 million for AOL restructuring projects, mainly related to improving efficiencies in local processes and effectiveness of back office support services, including the establishment of an integrated system platform in Brazil, and \$7 million of share based payment charges related to the ChemChina Tender Offer. Charges in 2015 included \$22 million related to the AOL restructuring program, including restructuring of marketing operations and initial costs to establish an integrated system and support platform in Brazil.

Operating income was \$43 million higher, \$65 million excluding restructuring and impairment, due to the improved gross margin and reduction in charges to provisions for doubtful receivables. Operating income as a percentage of sales increased by nearly 4 percentage points. Excluding restructuring and impairment, operating income as a percentage of sales increased by 5 percentage points and by 3 percentage points at constant exchange rates.

#### *Asia Pacific*

|                                  | Total as reported under IFRS |         | Change   |       | Restructuring and impairment |      | Before restructuring and impairment <sup>1</sup> |         | Change before restructuring and impairment <sup>1</sup> |       |
|----------------------------------|------------------------------|---------|----------|-------|------------------------------|------|--------------------------------------------------|---------|---------------------------------------------------------|-------|
|                                  | 2016                         | 2015    | Actual % | CER % | 2016                         | 2015 | 2016                                             | 2015    | Actual %                                                | CER % |
| (\$m, except change %)           |                              |         |          |       |                              |      |                                                  |         |                                                         |       |
| Sales .....                      | 1,839                        | 1,837   | —        | 2%    | —                            | —    | 1,839                                            | 1,837   | —                                                       | 2%    |
| Cost of goods sold .....         | (986)                        | (1,012) | 3%       | 2%    | —                            | —    | (986)                                            | (1,012) | 3%                                                      | 2%    |
| Gross profit .....               | 853                          | 825     | 3%       | 6%    | —                            | —    | 853                                              | 825     | 3%                                                      | 6%    |
| as a percentage of sales .....   | 46%                          | 45%     |          |       |                              |      | 46%                                              | 45%     |                                                         |       |
| Marketing and distribution ..... | (279)                        | (286)   | 2%       | 1%    | (2)                          | —    | (277)                                            | (286)   | 3%                                                      | 2%    |
| General and administrative ..... | (66)                         | (55)    | -19%     | -21%  | (25)                         | (20) | (41)                                             | (35)    | -15%                                                    | -16%  |
| Operating income .....           | 508                          | 484     | 5%       | 9%    | (27)                         | (20) | 535                                              | 504     | 6%                                                      | 10%   |
| as a percentage of sales .....   | 28%                          | 26%     |          |       |                              |      | 29%                                              | 28%     |                                                         |       |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements included in the 2016 Form 20-F incorporated by reference herein.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

Reported sales were flat, but 2% higher at constant exchange rates, with 2% higher sales volumes and flat local currency sales prices. See “—Sales Commentary” above for further information regarding sales in the region. Gross profit margin improved by 1.5 percentage points, 1.9 percentage points at constant exchange rates, with increased volumes of higher margin fungicides, insecticides and seedcare, combined with product cost savings.

Marketing and distribution costs excluding restructuring and impairment were 3% lower, 2% at constant exchange rates, with savings from restructuring in the marketing function.

General and administrative excluding restructuring and impairment increased by \$6 million, due to a lower level of government grants received and gains from an intangible asset disposal recorded in 2015.

Restructuring and impairment charges in 2016 increased by \$7 million to \$27 million. The 2016 amount includes \$17 million for AOL restructuring projects including projects to improve effectiveness of back office support services and the net result on the sale of the Goa manufacturing site together with associated costs. Charges in 2015 included \$16 million for implementation of AOL programs and \$3 million final charges under a previous restructuring program.

Operating income margin increased by 2 percentage points to 28%, and excluding restructuring and impairment improved by 1 percentage point to 29%, a 2 percentage point improvement at constant exchange rates, driven by the improved gross profit margin.

## Unallocated

Income and expense transactions in the regional business have been attributed to the geographic regions based on the market destination to which they relate, rather than on the region in which they originated. Some costs of the regional organization do not relate to a geographic destination and are reported as unallocated. These include global marketing teams, R&D and corporate headquarter functions. In addition, each region's gross profit performance is based on standard product costs, with variances from the standard reported as unallocated in order to align the reported results with organizational responsibility. Unallocated also includes results of centrally managed currency and commodity hedging programs.

Unallocated costs increased by \$127 million, or 7% from 2015, to \$1,908 million. Restructuring and impairment charges increased by \$46 million; excluding this, unallocated costs increased by \$81 million, or 5%. Research and development expense was 5% lower, 2% at constant exchange rates as cost savings and productivity improvements under the AOL program were delivered. General and administrative is reported including currency hedging losses of \$62 million compared with losses of \$30 million in 2015. Excluding restructuring and impairment, General and administrative increased by \$132 million. At constant exchange rates, taking into the account the net hedging result, these costs were approximately \$146 million higher. Total gross costs of the global support function functions were lower than 2015 at constant exchange rates. However, a significant portion of service costs are recharged to the regional and Controls and Flowers segments at amounts fixed in U.S. dollars at the start of the year. In 2015, general dollar strength reduced actual costs below the level of the recharge, with a surplus recorded in Unallocated. This surplus was not repeated in 2016. Restructuring and impairment charges reported within Unallocated increased by \$46 million to \$214 million. The 2016 amount includes \$61 million for the impairment of product rights where production challenges have increased the uncertainties of commercializing a product profitably, \$16 million for the write-down of a building now classified as held-for-sale, \$10 million to impair the assets of a seeds crop where expectations of future operating profitability have reduced and \$33 million from AOL projects, mainly related to R&D productivity. In addition, 2016 restructuring charges include \$50 million of transaction costs and \$36 million of costs for the incremental effect of applying cash-settled share based payment accounting due to share plan amendments related to the ChemChina Tender Offer; both these items are discussed in detail in Note 3 to the consolidated financial statements included in the 2016 Form 20-F incorporated by reference herein. Charges in 2015 included \$66 million related to the AOL program, including impairments at two manufacturing sites, a further impairment related to a seeds crop where expectations of future profitability have reduced and approximately \$77 million of acquisition, divestment and related costs, including advisory costs associated with possible corporate transactions. Details of restructuring and impairment for 2016 and 2015 are shown further below.

## Controls and Flowers

|                                  | Total as reported under IFRS |       | Change   |       | Restructuring and impairment |      | Before restructuring and impairment <sup>1</sup> |       | Change before restructuring and impairment <sup>1</sup> |       |
|----------------------------------|------------------------------|-------|----------|-------|------------------------------|------|--------------------------------------------------|-------|---------------------------------------------------------|-------|
|                                  | 2016                         | 2015  | Actual % | CER % | 2016                         | 2015 | 2016                                             | 2015  | Actual %                                                | CER % |
|                                  | (\$m, except change %)       |       |          |       |                              |      |                                                  |       |                                                         |       |
| Sales .....                      | 663                          | 648   | 2%       | 4%    | —                            | —    | 663                                              | 648   | 2%                                                      | 4%    |
| Cost of goods sold .....         | (282)                        | (298) | 5%       | 3%    | —                            | —    | (282)                                            | (298) | 6%                                                      | 3%    |
| Gross profit .....               | 381                          | 350   | 9%       | 10%   | —                            | —    | 381                                              | 350   | 9%                                                      | 10%   |
| as a percentage of sales .....   | 57%                          | 54%   |          |       |                              |      | 58%                                              | 54%   |                                                         |       |
| Marketing and distribution ..... | (162)                        | (161) | -1%      | -2%   | (1)                          | —    | (161)                                            | (161) | -                                                       | -1%   |
| Research and development .....   | (52)                         | (52)  | 1%       | 1%    | —                            | —    | (52)                                             | (52)  | 1%                                                      | 1%    |
| General and administrative ..... | (50)                         | (17)  | -191%    | -47%  | (10)                         | (7)  | (40)                                             | (10)  | -316%                                                   | -60%  |
| Operating income .....           | 117                          | 120   | -2%      | 21%   | (11)                         | (7)  | 128                                              | 127   | 1%                                                      | 22%   |
| as a percentage of sales .....   | 18%                          | 19%   |          |       |                              |      | 19%                                              | 20%   |                                                         |       |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements included in the 2016 Form 20-F incorporated by reference herein.

- (1) Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of “Operating and Financial Review and Prospects” for a more detailed description.

Controls and Flowers sales were 2% higher, 4% at constant exchange rates, with flat local currency sales prices and a 4% increase in sales volumes. See “—Sales Commentary” above for further information on sales in the segment. Gross profit margin increased by 3.5 percentage points, 3.5 percentage points at constant exchange rates, from increased volumes of higher margin Vector Control products.

Marketing and distribution costs, excluding restructuring and impairment were flat, but increased by 1% at constant exchange rates. Research and development expense was 1% lower, 1% at constant exchange rates, with restructuring activities at the Netherlands site having started in the final quarter of 2015. General and administrative is reported net of a \$3 million currency hedging loss under the EBITDA hedging program compared with a \$24 million gain in 2015. General and administrative excluding restructuring and impairment was significantly higher than 2015 including the hedging result; at constant exchange rates costs were 60% higher due to increased charges for support services.

Restructuring costs in 2016 increased by \$4 million compared with 2015 and in both years related largely to the AOL program.

Operating income as a percentage of sales decreased by approximately 1 percentage point to 18%. Excluding restructuring and impairment, operating income as a percentage of sales decreased by approximately 1 percentage points to 19% due to the adverse relative hedging result in 2016 compared to 2015; at constant exchange rates, operating income excluding restructuring and impairment as a percentage of sales increased by 4 percentage points.

### Defined Benefit Pensions

Defined benefit pension expense was a charge of \$145 million in 2016 compared with a charge of \$165 million in 2015. 2016 expense was lower because of non-recurrence of \$11 million of early retirement costs incurred in 2015 in implementing the AOL restructuring program in Switzerland, and reduced pension expense in the UK resulting from the 2014 plan amendment to freeze pensionable pay at January 1, 2016 levels.

Syngenta contributions to defined benefit pension plans were \$161 million in 2016 compared with \$168 million in 2015. These included early retirement contributions of \$11 million in 2016 and \$12 million in 2015.

### Restructuring and Impairment

Restructuring and impairment charges for the years ended December 31, 2016 and 2015, broken down into the main restructuring initiatives, consist of the following:

|                                                                   | For the year ended December 31, |            |
|-------------------------------------------------------------------|---------------------------------|------------|
|                                                                   | 2016                            | 2015       |
|                                                                   | (\$m)                           |            |
| <b>Accelerating operational leverage programs:</b>                |                                 |            |
| Cash costs .....                                                  | 214                             | 228        |
| Non-cash costs .....                                              | 9                               | 12         |
| <b>Integrated crop strategy programs:</b>                         |                                 |            |
| Cash costs .....                                                  | 1                               | 27         |
| <b>Acquisition, divestment and related costs:</b>                 |                                 |            |
| Cash costs .....                                                  |                                 |            |
| Associated with industry consolidation, including ChemChina ..... | 50                              | 62         |
| Other acquisition and related costs .....                         | 24                              | 29         |
| Non-cash items .....                                              | (12)                            | 1          |
| <b>Other non-cash restructuring and impairments:</b>              |                                 |            |
| Other non-current asset impairments .....                         | 121                             | 29         |
| <b>Total Restructuring</b> .....                                  | <b>407</b>                      | <b>388</b> |

In addition to the above, of the \$141 million share based payment expense charged to the 2016 consolidated income statement, \$70 million (2015: \$nil) is the incremental effect of applying cash-settled share based payment accounting due to the share plan amendments related to the ChemChina Tender Offer, as described in Note 3 to the consolidated financial statements included in the 2016 Form 20-F incorporated by reference herein. The \$70 million is presented as costs of the following functions: Cost of goods sold \$6 million, Marketing and distribution \$26 million, Research and development \$8 million, Other general and administrative \$30 million.

The total of the above material items is presented within the consolidated income statement as follows:

|                                        | 2016       | 2015       |
|----------------------------------------|------------|------------|
|                                        | (\$m)      |            |
| Cost of goods sold .....               | 6          | -          |
| Marketing and distribution .....       | 26         | -          |
| Research and development .....         | 8          | -          |
| Other general and administrative ..... | 30         | -          |
| Subtotal .....                         | 70         | -          |
| Restructuring .....                    | 407        | 388        |
| <b>Total .....</b>                     | <b>477</b> | <b>388</b> |

Restructuring represents the effect on reported performance of initiating and enabling business changes that are considered major and that, in the opinion of management, will have a material effect on the nature and focus of Syngenta's operations, and therefore require separate disclosure to provide a more thorough understanding of business performance. Restructuring includes the incremental costs of closing, restructuring or relocating existing operations, and gains or losses from related asset disposals. Restructuring also includes the costs of analyzing and preparing for potential industry consolidation transactions, including costs associated with the ChemChina Tender Offer, as well as the effects of completing and integrating significant business combinations and divestments, including related transaction costs, gains and losses. Recurring costs of normal business operations and routine asset disposal gains and losses are excluded.

Impairment includes impairment losses associated with major restructuring as well as impairment losses and reversals of impairment losses resulting from major changes in the markets in which a reported segment operates.

The incidence of these business changes may be periodic and the effect on reported performance of initiating them will vary from period to period. Because each such business change is different in nature and scope, there will be little continuity in the detailed composition and size of the reported amounts which affect performance in successive periods. Separate disclosure of these amounts facilitates the understanding of performance including and excluding items affecting comparability. Syngenta's definition of restructuring and impairment may not be comparable to similarly titled line items in financial statements of other companies.

## Analysis of Restructuring Costs

### 2016

For discussion regarding Restructuring and Impairment during 2016, see "—Restructuring and Impairment" above.

### 2015

#### *Accelerating Operational Leverage Programs*

Cash costs of \$228 million, including \$127 million of severance and pension charges, consisted of \$77 million for initiatives to restructure marketing and commercial operations, \$43 million for projects to drive efficiencies in territory commercial operations, \$48 million to rationalize logistical operations and optimize production capacity, \$36 million for R&D productivity projects, \$17 million for projects to increase the effectiveness of back office support services and \$7 million for project management.

Non-cash costs of \$12 million included \$33 million of tangible asset write-downs at three sites resulting from projects to rationalize logistical operations and optimize production capacity and a \$21 million pension curtailment gain related to the Swiss defined benefit pension plan. The pension curtailment gain represents the difference between the cash costs for early retirements and the calculation of net pension curtailment costs according to IFRS. Cash costs for early retirements are included in the cash costs of various projects described above.

#### *Integrated Crop Strategy Programs*

Cash costs of \$27 million included \$20 million of charges for the transfer of certain system and process management activities to the internal service center in India, including \$11 million for information system projects, \$1 million to restructure the integrated R&D function, \$1 million to restructure the human resource organization and \$5 million of corporate headquarter and other costs.

#### *Acquisition, Divestment and Related Costs*

Costs associated with industry consolidation represented transaction charges related to potential transactions, such as the proposals received from Monsanto Company and ChemChina. Further cash costs included \$21 million of transaction costs and \$8 million incurred to integrate previous acquisitions, mainly the German and Polish winter wheat and winter oilseed rape breeding and business operations of Lantmännen, PSB and MRI, as well as costs associated with the separation and planned divestments of the Flowers and Vegetables Seeds businesses announced during 2015, which were subsequently canceled. The non-cash item was an impairment related to fixed assets acquired with the German and Polish winter wheat and winter oilseed rape breeding and business operations of Lantmännen.

#### *Other Non-Cash Restructuring*

Other non-current asset impairments of \$29 million included \$20 million to impair the assets of a seeds crop where expectations of future operating profitability had reduced, \$7 million of impairment of exclusive distribution rights where the distribution agreement was terminated and \$2 million for two other intangible asset impairments.

### **Financial Expense, Net**

Financial expense, net increased to \$291 million in 2016 from \$256 million in 2015. Currency related financial expenses in 2016 of \$253 million were \$38 million higher than 2015 due to increased exposures in Latin American countries from the higher average trade working capital and currency losses in certain emerging market countries where hedging is not available. Net interest expense was flat at \$19 million in 2016 with average net debt broadly stable over the two years.

### **Taxes**

Syngenta's effective tax rate in 2016 was 13%, 3% lower than the 16% effective tax rate for 2015. Syngenta's Swiss statutory tax rate was 22% in both years. Income taxed at different rates increased the effective tax rate by 2% in 2016, compared with an 8% reduction in 2015 due to differences in the mix of jurisdictions in which estimated taxable profits arose in the respective years, and to the impact of the changes made to require cash settlement of share awards contingent on completion of the ChemChina Tender Offer. The percentage of income before taxes recorded in Switzerland reduced from 53% in 2015 to 40% in 2016. The tax deduction for amortization and impairments not recognized for IFRS reduced the tax rate by 1% (2% in 2015) from the impairment of shares held by several group companies in subsidiaries resulting from a decrease in the value of those subsidiaries as determined under local GAAP, due in part to weaker exchange rates of the functional currency of the subsidiaries. An improvement in profitability in operations in Argentina, Brazil and Philippines contributed to a 4% reduction in the tax rate from recognition of previously unrecognized deferred tax assets (2% in 2015). Changes in prior year estimates and other items reduced the tax rate by 6% in 2016, compared with a 4% increase in 2015, due to the release of several prior year related tax risk provisions as further disclosed in Note 2 to the consolidated financial statements included in the 2016 Form 20-F incorporated by reference herein. Non-recognition of deferred tax assets was not material and did not impact the tax rate in 2016, but increased the tax rate by 5% in 2015 mainly due to deferred tax assets in parts of Latin America and Africa where the criteria for recognizing deferred tax assets was not met because of local currency weakness and weak economic conditions.

The tax rate on restructuring and impairment was 18% in 2016, compared with 23% for 2015 due to the different mix of gains and losses included in the net charge over the period and the varying tax treatments applied in different countries.

### Net Income for the Period and Other Supplementary Income Data

Net income attributable to Syngenta shareholders in 2016 was \$1,178 million, 12% lower than the 2015 amount of \$1,339 million. Sales were 5% lower, 2% lower at constant exchange rates, with 3% due to weaker foreign currency exchange rates relative to the U.S. dollar. Operating income margin was 0.8 percentage points lower in 2016 than 2015, with increased restructuring and impairment charges and the incremental effect of applying cash-settled share based payment accounting following the ChemChina Tender Offer; excluding these factors, operating income margin was broadly flat in 2016 and 2015. Following higher financial expense, income before taxes was 15% lower in 2016. With a lower effective tax rate, Net income was 12% below 2015.

After related taxation, restructuring and impairment charges (including the incremental share based payment charges noted above) were \$390 million in 2016 compared with \$300 million in 2015 largely due to costs associated with the ChemChina Tender Offer and increased impairments of non-current assets.

### Foreign Operations and Foreign Currency Transactions

Syngenta's subsidiaries use their local currency as their functional currency for accounting purposes except where the use of a different currency more fairly reflects their actual circumstances.

Syngenta operates worldwide and its business has grown significantly in emerging markets over the last years, with a broadening of the currency effects that need to be closely monitored. Syngenta regularly analyzes how currency fluctuations will impact its operating results and manages the impact with a combination of commercial actions, such as product pricing, and financial risk management strategies, such as hedging. Next to the Euro, the Swiss franc and the British pound, the Brazilian real gives rise to a major currency exposure due to the large size of Syngenta's business activities in Brazil. Sales prices to customers in Brazil largely are linked to the US dollar, which limits the impact of fluctuations in the US dollar/Brazilian real exchange rate. Similarly, Syngenta manages its currency exposure in the CIS, mainly Russia and Ukraine, by linking local currency sales prices to compensate the loss fluctuations in sales value from the currency devaluation.

Syngenta regularly monitors receivables exposure in all countries in which it operates. In the Eurozone, Greece, Italy, Portugal and Spain have been experiencing weak macro-economic conditions since 2010. Parts of Latin America, including Argentina and Brazil are also experiencing economic and financial difficulties and this has led to continued constraints in the availability of credit; in Venezuela, exchanging local currency into US dollars to pay for imported goods can be difficult. Receivables exposure from customers in Russia and the Ukraine has decreased during 2017, with 64% of 2017 sales in those countries having been collected as of December 31, 2017 compared with 73% of 2016 sales.

The following table outlines for the above named countries the aggregate, gross trade receivables, those past due for more than 180 days and the related provision for doubtful receivables at December 31, 2017 and 2016.

|                                                | 2017  | 2016  |
|------------------------------------------------|-------|-------|
|                                                | (\$m) |       |
| Gross trade receivables .....                  | 2,294 | 2,789 |
| Past due for more than 180 days .....          | 432   | 360   |
| Provision for doubtful trade receivables ..... | 360   | 274   |

The increases in receivables past due for more than 180 days and provision for doubtful trade receivables is mainly due to increased exposures in Brazil where poor economic conditions and commodity price weakness continued to constrain grower liquidity and the availability of credit.

At December 31, 2017, approximately 81% of Syngenta's cash and cash equivalent was held in U.S. dollars, approximately 7% in Indian rupees, approximately 4% in Ukrainian Hryvnia, approximately 4% in Chinese renminbi and approximately 2% in Thai baht. No other individual currency made up more than 2%.

## Liquidity and Capital Resources

Syngenta's principal source of liquidity is cash generated from operations. This has been more than sufficient to cover cash used for investment activities in all years since 2006, except in 2012 when the higher level of cash used for investing activities resulting from increased business acquisitions required funding with a combination of cash generated from operations and the issuance of unsecured non-current bonds. Except for any significant business acquisitions or a significant deterioration in the rate of receivables collections from that currently expected by management, cash generated from operations is expected to be more than sufficient to cover cash expected to be used for investment activities in 2017.

Working capital fluctuations due to the seasonality of the business are supported by short-term funding available from a \$2.5 billion Global Commercial Paper program and a \$3 billion committed, revolving, multi-currency syndicated credit facility. Operating in a seasonal business, Syngenta typically obtains funds from its short-term facilities during the first half of the year to fund operations during the northern hemisphere growing season and repays these funds during the second half when receivables are collected. Longer-term capital resources include unsecured non-current bonds issued under a Euro Medium Term Note Program, unsecured non-current Notes issued under a Note Purchase Agreement in the U.S. Private Placement market and unsecured non-current bonds issued in the U.S. public debt market. See "—Capital Markets and Credit Facilities" below for details of outstanding debt.

For information on Syngenta's funding and treasury policies and objectives in terms of the manner in which treasury activities are controlled, see Note 25 to the consolidated financial statements.

Syngenta reported cash and cash equivalents on December 31, 2017 and 2016 of \$2,253 million and \$1,284 million, respectively. At December 31, 2017 and 2016, Syngenta had current financial debt of \$1,022 million and \$767 million, respectively, and non-current financial debt of \$2,860 million and \$2,854 million, respectively.

## Capital Markets and Credit Facilities

Funds for Syngenta's working capital needs were available during the year from its \$2,500 million Global Commercial Paper program supported by a committed, revolving, multi-currency, syndicated credit facility. Syngenta entered into its Global Commercial Paper program in 2000 and amended it in 2007. In January 2016, the amount of the syndicated credit facility was increased from \$1.5 billion to \$2.5 billion. Its contractual expiry date is in 2022 and it provides the possibility to extend by one year in 2018 and 2019. In May 2017, the existing syndicated credit facility was increased, extended and amended following the change of control related to the ChemChina takeover. The amount drawn under the syndicated credit facility at December 31, 2017 was \$200 million (2016: \$nil). The amount drawn under the Global Commercial Paper program for the year 2017 was \$1,388 million (2016: \$1,217 million).

Absent major acquisitions, Syngenta targets maintaining an investment grade credit rating, as recognized by major third-party rating agencies, which it currently believes provides an optimal balance between financial flexibility and the cost of capital. At December 31, 2017, Syngenta's credit ratings were as follows: Moody's Investors' Services Limited Ba2/NP; Standard & Poor's Rating Services BBB-/A-3; and Fitch Ratings Ltd BBB/F3. During October 2017, Standard & Poor's Rating Services and Fitch Ratings Ltd changed their outlook from stable to negative watch. There are no material legal or economic restrictions on the ability of subsidiaries to transfer funds to Syngenta in the form of cash dividends except as disclosed in the consolidated cash flow statement.

The table below summarizes Syngenta's unsecured notes in issuance at December 31, 2017:

| (\$m)                                     | Issuance date | Carrying amount | Value at issue |
|-------------------------------------------|---------------|-----------------|----------------|
| 0.750% CHF bond 2019                      | March 2014    | 359             | 396            |
| 5.110% U.S. dollar private placement 2020 | December 2005 | 40              | 75             |
| 1.875% Eurobond 2021                      | March 2014    | 598             | 689            |
| 3.125% U.S. dollar bond 2022              | March 2012    | 506             | 500            |
| 1.625% CHF bond 2024                      | March 2014    | 256             | 283            |
| 5.350% U.S. dollar private placement 2025 | December 2005 | 55              | 75             |
| 1.250% Eurobond 2027                      | March 2015    | 594             | 559            |
| 2.125% CHF bond 2029                      | March 2014    | 153             | 170            |
| 5.590% U.S. dollar private placement 2035 | December 2005 | 11              | 100            |



| (\$m)                        | Issuance date | Carrying amount | Value at issue |
|------------------------------|---------------|-----------------|----------------|
| 4.375% U.S. dollar bond 2042 | March 2012    | 248             | 250            |
| <b>Total</b>                 |               | <b>2,820</b>    | <b>3,097</b>   |

As noted above, on November 6, 2017, Syngenta AG and COFCO announced that Syngenta AG had entered into a binding agreement to acquire the global seeds business of Nidera, from Nidera B.V., a subsidiary of COFCO. The acquisition closed on February 6, 2018, as disclosed in Note 28 to the consolidated financial statements included in the 2017 Financial Report incorporated by reference herein. The acquisition consideration is \$1.4 billion on a cash-free, debt-free basis, subject to a final purchase price adjustment. Syngenta funded the purchase price by borrowing under the Bridge Facility that Syngenta Crop Protection AG, as borrower, had entered into with UBS Limited and UniCredit Bank AG in connection with the acquisition and through available cash. The Bridge Facility provided, subject to its terms and conditions set forth therein, for borrowing up to \$1.25 billion and matures on May 14, 2019, including an extension option at the discretion of Syngenta AG. On March 29, 2018, the Bridge Facility was repaid in full.

Management is of the opinion that, absent a major business acquisition or a very significant deterioration in working capital or the rate of receivables collections from that currently expected, the funding available from the sources described above will be sufficient to satisfy Syngenta's working capital, capital expenditures and debt service requirements for the foreseeable future, including cash expenditures relating to restructuring programs. In the event of a major business acquisition, Syngenta would seek additional funding from capital markets or other sources. Syngenta regards as sufficiently remote the likelihood that a very significant deterioration in working capital or unexpected decline in the rate of receivables collections will occur as not to require the development of a detailed contingency funding plan.

## Cash Flow

The following table sets out certain information about cash flow for each of the periods indicated:

|                                               | Year ended December 31, |         |         |
|-----------------------------------------------|-------------------------|---------|---------|
|                                               | 2017                    | 2016    | 2015    |
|                                               |                         | (\$m)   |         |
| Cash flow from operating activities.....      | 1,839                   | 1,807   | 1,190   |
| Cash flow used for investing activities ..... | (577)                   | (521)   | (462)   |
| Cash flow used for financing activities.....  | (303)                   | (1,134) | (1,188) |

## Cash Flow from Operating Activities

### 2017 Compared with 2016

Cash flow from operating activities increased by \$32 million to \$1,839 million in 2017 due to changes in net working capital. An inflow from trade and other working capital assets of \$616 million compared to an outflow of \$374 million in 2016 reflected improved cash collections, new customer financing programs which accelerated payment to Syngenta and lower final quarter sales in Latin America. However, there was a cash outflow from change in inventories of \$153 million in 2017 compared to an inflow in 2016 of \$252 million as distributor demand in the final quarter in Brazil was lower than previously anticipated. Cash flows from trade and other working capital liabilities were an outflow of \$3 million in 2017, but an inflow of \$86 million the year earlier. Income before taxes in 2017 was a net loss of \$116 million after the provision for litigation settlement, compared to a profit of \$1,361 million in 2016. Non-cash items were \$1,197 million higher in 2017, with the litigation provision offset by lower depreciation, amortization and impairment and charges in respect of share based compensation and pension provisions. Adjusted for non-cash items, income before taxes was \$280 million lower than 2016. Cash outflows for financial expense, net decreased 2017 to 2016 largely due to lower hedging costs for foreign exchange exposures. Cash paid in 2017 in respect of share based compensation related to the cash settlement of previously granted share based compensation as a result of the completion of the ChemChina Tender Offer.

### ***2016 Compared with 2015***

Cash flow from operating activities increased by \$617 million to \$1,807 million in 2016 from \$1,190 million in 2015 largely due to changes in net working capital. Cash inflows from inventory reduction in 2015 were \$252 million compared with \$32 million in 2015; year-end inventories as a percentage of sales decreased from 32% in 2015 to 30% in 2016. Outflows from trade and other working capital assets decreased by \$494 million in 2016 due to a significantly lower build-up in trade receivables in Brazil than in 2015 and the receipt of royalty income in 2016 under agreements signed in previous years. Cash inflows from trade and other working capital liabilities decreased by \$139 million in 2016; trade accounts payable as a percentage of sales increased by 1 percentage point in 2016, but had increased by 2 percentage points in 2015. Income before taxes in 2016 decreased by \$231 million from 2015 for the reasons described above. Non-cash items were \$97 million higher in 2016 mainly due to higher impairment charges and charges in respect of share based compensation and lower gains on disposal of non-current assets. Adjusted for Non-cash items, income before taxes was \$134 million lower than 2015. Cash outflows for Financial expense, net increased from 2015 to 2016 largely due to timing differences between underlying realized foreign exchange gains and losses and the cash flows from the related hedges. Cash paid in respect of income taxes was \$263 million lower than in 2015 due to payments in 2015 in respect of several tax years for an entity in Switzerland and lower advance tax payments in the United States. Cash paid in 2016 in respect of restructuring provisions was \$52 million lower than 2015 largely due to lower severance payments in 2016.

### **Cash Flow Used for Investing Activities**

#### ***2017 Compared with 2016***

Cash flow used for investing activities was \$577 million in 2017, \$56 million more than in 2016. Additions to property, plant and equipment were \$31 million lower; a similar level is currently expected in 2018. An increase in purchases of intangibles reflected the purchase of product rights in 2017. Purchases of investments in associates and other financial assets were lower from reduced purchases of marketable securities. Proceeds from disposals of property plant and equipment were \$45 million higher including the sale of buildings in Switzerland and Mexico, while proceeds of disposals and intangible and financial assets included the sale of marketable securities. The cash inflows for business divestments reduced from \$60 million in 2016, which included the divestments of Bioline and the Goa manufacturing site in India, to \$44 million in 2017, which largely related to the sale of the sugarbeet business.

#### ***2016 Compared with 2015***

Cash flow used for investing activities was \$521 million in 2016, \$59 million more than in 2015. Additions to property, plant and equipment were broadly flat. An increase in purchases of intangibles was due partly to capitalized software development costs and software license purchases related to projects within the AOL restructuring programs. Cash outflows from purchases of marketable securities increased by \$53 million, mainly due to investments in Brazil. Proceeds from disposals decreased by \$73 million in 2016, due to the sale of land in Switzerland and the U.S. in 2015. The cash inflows for business divestments increased from \$1 million in 2015 to \$58 million in 2016, which related to the divestments of Bioline and the Goa manufacturing site in India.

### **Cash Flow Used for Financing Activities**

#### ***2017 Compared with 2016***

Cash flow used for financing activities of \$303 million was \$831 million lower than in 2016. The dividend paid to shareholders in 2017 decreased by \$570 million compared with 2016 as only the CHF 5 per share special dividend related to the ChemChina Tender Offer was paid in 2017, compared to a dividend of CHF 11 per share in 2016. Sales of treasury shares in both years related to employee share and share option plans.

#### ***2016 Compared with 2015***

Cash flow used for financing activities of \$1,134 million was \$54 million lower than in 2015. No bonds were issued or repaid in 2016; in 2015, bonds were issued and repaid at maturity as described below. The dividend paid to shareholders in 2016 decreased by \$38 million compared with 2015 due largely to a weaker Swiss franc. There were no share repurchases in 2016; in 2015, Syngenta repurchased 389,500 of its own shares, with 158,000 shares then

expected to be used for future requirements of share based payment plans and 231,500 related to a share repurchase program. Sales of treasury shares in all years related to employee share and share option plans.

## Research and Development (“R&D”)

Syngenta’s R&D organization is dedicated to developing quality crop protection and seeds products, as well as crop-focused solutions which integrate multiple technologies. R&D focuses on taking a holistic approach to help customers grow their specific crop using the best technology to address their needs, be it a single technology, a combination of technologies, or technologies and services.

Syngenta is committed to improving crop yield and quality in a sustainable way and, through its global product safety group and global regulatory team, is committed to developing and registering products that are safe and effective. Syngenta maximizes its innovation potential by leveraging its industry expertise and partnering with other technology leaders across the globe.

The total spent on Research and development was \$1,273 million in 2017, \$1,299 million in 2016 and \$1,362 million in 2015. Attribution of Research and development costs for 2017 was \$1,220 million for Syngenta’s regional Crop Protection and Seeds business and \$53 million in Lawn and Garden. In 2016, the attribution was \$1,247 million for the regional Crop Protection and Seeds business and \$52 million in Lawn and Garden. In 2015, the attribution was \$1,310 million for the regional Crop Protection and Seeds business and \$52 million in Lawn and Garden.

There are no off-balance sheet financing transactions associated with R&D activity.

## Contractual Obligations, Commitments and Contingent Liabilities

At December 31, 2017 Syngenta had contractual obligations to make future payments in the periods indicated in the following:

|                                                                          | Notes to the<br>financial<br>statements<br>reference | Total | Less than<br>1 year | 1–3 years | 3–5 years | 5–10 years | More than 10<br>years |
|--------------------------------------------------------------------------|------------------------------------------------------|-------|---------------------|-----------|-----------|------------|-----------------------|
|                                                                          |                                                      |       |                     | (\$m)     |           |            |                       |
| Financial debt .....                                                     | 17, 19                                               | 3,827 | 1,006               | 400       | 1,104     | 905        | 412                   |
| Fixed rate interest on<br>financial debt .....                           | 25                                                   | 586   | 61                  | 119       | 101       | 129        | 176                   |
| Minimum future lease<br>payments.....                                    | 20                                                   | 57    | 16                  | 25        | 7         | 9          | -                     |
| Fixed-term, non-cancelable<br>operating lease<br>commitments .....       | 20                                                   | 209   | 72                  | 78        | 42        | 17         | -                     |
| Capital expenditures .....                                               | 20                                                   | 104   | 95                  | 9         | -         | -          | -                     |
| Pension contribution<br>commitments .....                                | 22                                                   | 463   | 147                 | 142       | 101       | 73         | -                     |
| Material purchases<br>obligations .....                                  | 20                                                   | 1,743 | 1,089               | 499       | 132       | 23         | -                     |
| Long-term research<br>agreements and other<br>long-term commitments..... | 20                                                   | 121   | 70                  | 35        | 8         | 8          | -                     |
| Total.....                                                               |                                                      | 7,110 | 2,556               | 1,307     | 1,495     | 1,164      | 588                   |

Of the total financial debt, floating rate financial debt is \$1,007 million (mainly local bank loans and overdraft facilities), all of which is due within one year. No interest obligation in respect of this debt is included in the table above. There is no contractual obligation to renew this debt. The debt amount, and the interest payments associated with it, will vary over time according to Syngenta’s funding requirements and future interest rates.

Fixed rate debt of \$2,820 million is comprised primarily of the outstanding Eurobonds, Swiss franc domestic bonds and \$ bonds and private placement notes. Fixed rate interest payments of \$586 million on these are included above.

Other non-current liabilities arise from deferred payments related to acquisitions and license agreements.

Provisions for long-term liabilities totaling \$1,938 million shown in Syngenta's consolidated balance sheet have not been included in the above table because the timing of their payment is not contractually fixed and cannot be estimated with sufficient certainty within the context of the time periods in the table. This applies particularly to those amounts which are not expected to be paid during 2018. Note 20 to the consolidated financial statements presents the components of the estimated \$676 million of provisions that are expected to be paid during 2018.

The supply agreements for materials giving rise to the unconditional purchase obligations are entered into by Syngenta to ensure availability of materials meeting the specifications required by Syngenta. Where suppliers have made significant capital investment, these agreements generally provide for Syngenta to pay penalties in the event that it terminates the agreements before their expiry dates.

Pension contribution commitments totaling \$463 million represent unconditional fixed payments to the UK pension fund according to the revised schedule of contributions agreed during 2017 and a one-time lump sum payment to the Swiss pension fund associated with the changes to the plan rules. Contributions for future service in the UK and Switzerland which are calculated as a fixed percentage of employees' pensionable pay are not included in the above table. The rules of the Swiss pension fund commit Syngenta to contributing a fixed percentage of employees' pensionable pay to the fund.

As disclosed in Note 22 to the consolidated financial statements, Syngenta expects to pay \$230 million of contributions to its defined benefit pension plans in 2018, excluding restructuring costs and excluding any accelerated payments which Syngenta may decide to make as business and financial market conditions develop during 2018. \$147 million of those contributions are included as commitments in the table above. The remaining \$83 million represents 2018 service contributions, which are not included as commitments in the table above.

The above table excludes income tax liabilities of \$413 million in respect of uncertain tax positions. These are presented within current income tax liabilities in the consolidated balance sheet because it is not possible to make a reasonably reliable estimate of the actual period of cash settlement with the respective taxing authorities.

### **Off-Balance Sheet Arrangements**

Syngenta had no off-balance sheet arrangements as of December 31, 2017, other than the above contractual obligations, commitments and contingent liabilities. Syngenta has no unconsolidated special purpose entities that are likely to create material contingent obligations.

### **Critical Accounting Estimates**

Critical accounting estimates and new accounting pronouncements are discussed in Notes 2 and 27 to the consolidated financial statements.

### **Recent Developments**

Note 28 to the consolidated financial statements provides details of events which occurred between the balance sheet date and February 6, 2018 that would require adjustment to or disclosure in the consolidated financial statements.

### **Trend and Outlook**

The divestment of the sugarbeet business and that of crop protection products as part of anti-trust agreements associated with the ChemChina acquisition will reduce sales in 2018 by approximately \$270 million. The acquisition of the Nidera Seeds business, completed on February 6, 2018, is expected to increase Syngenta 2018 sales by approximately 3%. In addition, a significant part of the sales volume reduction in Brazil in 2017 was related to reducing distributor inventories in Brazil to more normal levels and sales in 2018 currently are expected to be more in line with consumption. In Seeds, sales in 2017 included royalty income relating to the registration of corn containing the MIR604 trait in China and to a change of control; individually, neither will recur in 2018, but similar royalties may be received. Underlying sales revenue is currently expected to grow by low single digits in crop protection and seeds markets, excluding the impact of acquisitions, that are both expected to continue to show at best slow growth in 2018.

Based on exchange rates prevailing at the date of publication, a weaker U.S. dollar and stronger Euro is expected to increase reported sales by approximately 2%. The impact of exchange rate movements on operating income is discussed below.

Syngenta will continue to drive productivity savings in 2018 through the AOL program. These savings, net of salary and other cost inflation will partly be re-invested in increased Research and development in both Crop Protection and Seeds and Marketing and distribution costs. In Research and development, overall expenditure as a percentage of sales is expected to be at a broadly similar level in 2018 as 2017 at constant exchange rates. Savings from the AOL productivity program in Marketing and distribution costs and General and administrative costs (excluding restructuring) are planned partly to be re-invested in increased marketing expenditure to drive future market share growth and to develop further capabilities in the application of new digital technologies; the accounting gains from changes to defined benefit pension plans are not expected to recur in 2018. In 2017, Syngenta paid reduced staff incentives as financial performance was below the target level; achievement of financial targets in 2018 will result in increased incentive payments.

Excluding impairments, which cannot be forecast, the progression of the AOL productivity program noted above is expected to result in lower restructuring charges related to this program in 2018. In general the timing of the recognition of charges for particular restructuring events, which is dependent on when irreversible commitments to the events occur, makes it difficult to predict such costs with certainty. Expenses in 2017 included charges to cash-settle employee share plans following completion of the ChemChina Tender Offer noted above; these charges and other costs associated with the transaction will not recur in 2018. 2017 restructuring and impairments included the loss on divestment of the sugarbeet business; no similar loss is currently expected in 2018 and the divestment of the crop protection products noted above is expected to trigger accounting gains and cash inflow in excess of \$350 million. These divestments have not completed at the time of publishing this review.

In 2017, oil prices (Brent) traded in a range of \$45-70 per barrel, being towards the upper end of the range in the latter part of the year and into 2018. With its current product mix, Syngenta estimates that each \$10 movement in the price of a barrel of oil impacts its Cost of goods sold by approximately \$30-35 million. However, due to supplier production chains and Syngenta's own inventory, it can take from 9 to 12 months for movements in the oil price to feed through into Cost of goods sold. As of March 2018, the impact of movements in the price of oil is expected to have a small adverse impact on 2018 compared to 2017; further increases would take time to pass through to Syngenta's cost of goods but may have an adverse impact if Syngenta is not able to pass on the increase through increased sales prices.

In 2017, 51% of Syngenta's sales were in emerging markets, up from around 35% ten years ago. Emerging markets continue to have higher long-term growth potential because significant crop yield gaps exist versus developed markets; this growth potential is further supported by ongoing technology adoption. Managing volatility in such markets, in particular credit and currency exposures, is integral to Syngenta's business model.

Overall, Syngenta has significant currency exposures, which at a high level can be summarized as:

- a short position against the U.S. dollar in Swiss francs and British pounds
- a net long position in Euros over the course of a full year, relatively minor compared with sales in Euros, but with a long position in the first half selling season and a short position in the second half from more evenly spread Euro-based operating costs including raw material costs
- a long position in Japanese yen, Australian and Canadian dollars and many emerging market currencies
- in Brazil and Argentina, a significant portion of sales are effectively priced in U.S. dollars, resulting in a net short local currency exposure, though the linkage has weakened in Brazil and there can be a time lag before local currency prices are adjusted

As noted above, following the recent exchange rate volatility in Russia and the Ukraine, Syngenta has acted to link pricing of sales in these countries (both of which export grain to the global market) to U.S. dollars to reduce the long exposure to these currencies.

Forecast transaction exposures in the major currencies are hedged under a rolling 12 month program, largely through forward contracts. In 2017, Syngenta estimates the impact on underlying sales and operating costs of exchange rate movements to have been approximately \$47 million favorable to 2016, which together with a net hedging cost of \$8 million compared with a cost of \$73 million in 2016, resulted in a favorable year-on-year impact on operating income from exchange rate movements of approximately \$112 million when compared with 2016. The major drivers of the favorable underlying net impact were a stronger Russian ruble and Brazilian real. At rates prevailing in January 2018, Syngenta expects a relatively minor adverse net impact on operating income relative to 2017 from the currency movements. This is largely due to the adverse impact on underlying exposures of a stronger Swiss franc and British pound sterling on operating costs. A significant portion of emerging market currency exposures in particular are unhedged, so the actual impact may differ positively or negatively from the above estimate. The net hedging result is reported within General and administrative in the consolidated income statement.

See “Forward-Looking Statements” for important information about forward-looking statements.

## Appendix A

### Reconciliation of Non-GAAP Measures to Equivalent GAAP Measures

A non-GAAP measure is a numerical measure of financial performance, financial position or cash flows that either:

- includes, or is subject to adjustments that have the effect of including, amounts that are excluded in the most directly comparable measure calculated and presented under IFRS; or
- excludes, or is subject to adjustments that have the effect of excluding, amounts that are included in the most directly comparable measure calculated and presented under IFRS.

Syngenta uses non-GAAP measures in this Offering Memorandum where they are regarded by management as important for the investor to fully understand Syngenta's performance. The non-GAAP measures presented in Offering Memorandum are measures adjusted for items such as exchange rate movements and to exclude restructuring gains and losses, impairment losses and divestment gains and losses. The Company presents these measures because:

- movements in exchange rates historically have had, and in the future are expected to have, a significant impact on sales and operating income from period to period; and
- restructuring and impairment charges historically have fluctuated, and in the future are expected to fluctuate, significantly from period to period and thereby have a volatile impact on results.

Syngenta has been engaged in significant restructuring activities since its formation in 2000, including programs to integrate and extract synergies from the combined operations of the Zeneca agrochemicals business and the Novartis agribusiness, the integration of business combinations, the operational efficiency programs, the implementation of the integrated crop strategy and, beginning in 2014, the AOL program. The incidence of restructuring charges is periodic and volatile, reflecting the timing of irrevocable commitments related to specific sites and operations. Therefore the impact on reported performance varies from period to period and there is limited continuity in the specific composition or size of such charges. In 2017, measures excluding restructuring and impairment also exclude the incremental effect of applying cash-settled share based payment accounting due to the share plan amendments related to the ChemChina Tender Offer described in Note 3 to the consolidated financial statements. Internal financial reporting and management and employee incentive plans are substantially based on financial measures excluding the charges for restructuring and impairment so that management is incentivized to deliver the benefits of the associated restructuring and not to achieve short-term financial targets by deferring implementation of restructuring plans. Restructuring programs typically deliver benefits with a payback over several years, similar to capital investments, and control over restructuring expenditures is performed on a similar project basis to that applied with capital investments.

Syngenta presents non-GAAP measures on operating income before restructuring and impairment at both the segmental and group levels. Restructuring and impairment charges have had a material effect on operating income in the period covered by the review. In the opinion of management, reporting operating performance excluding restructuring and impairment in addition to the GAAP measures provides a more thorough understanding of business performance. Together with disclosure of the material elements within restructuring and impairment and of the overall anticipated size and timeframe of restructuring programs, these measures may assist investors in forecasting future operating performance. In addition to GAAP measures, Syngenta uses measures of operating performance excluding restructuring and impairment in internal reporting to management and the Board of Directors, and these measures are used in the incentive plans for Syngenta management and other employees. Restructuring and impairment charges have been incurred in all the periods covered by the review and are expected to continue to arise and have a material effect on operating performance in future periods. Consequently, non-GAAP measures of operating income before restructuring and impairment do not present a complete picture of operating performance and these measures should be seen only as supplementary to the GAAP measure.

Syngenta presents non-GAAP information on income before taxes excluding restructuring and impairment together with income tax expense before restructuring and impairment to assist investors to calculate the Group tax

rate both including and excluding the impact of restructuring and impairment charges. The tax rate on restructuring and impairment charges has been volatile and different from the tax rate on income before taxes excluding restructuring and impairment, due in part to many categories of restructuring or impairment charges not being deductible for tax purposes. In addition to GAAP measures, measures of income before taxes excluding restructuring and impairment and income tax expense excluding restructuring and impairment are used in internal reporting to management and the Board of Directors. Restructuring and impairment charges have been incurred in all the periods covered by the review and are expected to continue to arise and have a material effect on operating performance in future periods. Consequently, non-GAAP measures of income before taxes excluding restructuring and impairment and income tax expense before restructuring and impairment do not present a complete picture of financial performance and these measures should be seen only as supplementary to the GAAP measure.

Syngenta presents non-GAAP information on net income and earnings per share before restructuring and impairment and, where relevant, on net income and earnings per share from continuing operations before restructuring and impairment. As above, restructuring and impairment charges have had a material effect on operating income in the period covered by the review. In the opinion of management, reporting net income and earnings per share excluding restructuring and impairment in addition to the GAAP measures provides a more thorough understanding of business performance. Together with disclosure of the material elements within restructuring and impairment and of the overall anticipated size and timeframe of restructuring programs, this disclosure may assist investors in forecasting future performance. In addition to net income and earnings per share prepared in accordance with GAAP, Syngenta uses net income and earnings per share excluding restructuring and impairment in internal reporting to management and the Board of Directors, and the measure is used in the incentive plans for Syngenta management and other employees. Restructuring and impairment charges have been incurred in all the periods covered by the review and are expected to continue to arise and have a material effect on financial performance in future periods. Consequently, the non-GAAP measures of net income and earnings per share before restructuring and impairment do not present a complete picture of financial performance and these measures should be seen only as supplementary to the GAAP measures.

Adjusted EBITDA is defined as net income before interest, tax, non-controlling interests, depreciation, amortization, restructuring and impairment and excluding the effects of the provision to settle lawsuits related to the commercialization of Syngenta's AGRISURE<sup>®</sup>, VIPTERA<sup>®</sup> and DURACADE<sup>™</sup> corn seed in the United States before import approval for these products from China had been received ("Provision for Settlement of the U.S. Litigation"). Information concerning Adjusted EBITDA has been included as it is used by management and by investors as a supplementary measure of operating performance. Management excludes restructuring and impairment and the Provision for Settlement of the U.S. Litigation from Adjusted EBITDA in order to focus on results excluding items affecting comparability from one period to the next. Adjusted EBITDA is not a measure of cash liquidity or financial performance under GAAP and the Adjusted EBITDA measures used by Syngenta may not be comparable to other similarly titled measures used by other companies. Adjusted EBITDA should not be construed as an alternative to operating income or cash flow as determined in accordance with GAAP.

Free cash flow comprises cash flow from operating and investing activities:

- excluding investments in and proceeds from marketable securities, which are included in investing activities;
- excluding cash flows from and used for foreign exchange movements and settlement of related hedges on inter-company loans, which are included in operating activities; and
- including cash flows from acquisitions of non-controlling interests, which are included in financing activities.

Free cash flow is not a measure of financial performance under GAAP and the free cash flow measure used by Syngenta may not be comparable to similarly titled measures in other companies. Free cash flow has been included as many investors consider it to be a useful supplementary measure of cash generation.

The tables below are included to show the reconciliation of the GAAP measures to the non-GAAP measures used in this Offering Memorandum and do not represent income statements prepared in accordance with IFRS.



**Reconciliation of Net Income Excluding Restructuring and Impairment (Non-GAAP Measure) to Profit for the Period (GAAP Measure)**

| <b>2017 (\$m, except percentage, share and per share amounts)</b> | <b>Total</b> | <b>Restructuring and impairment</b> | <b>Before restructuring and impairment</b> |
|-------------------------------------------------------------------|--------------|-------------------------------------|--------------------------------------------|
| Operating income .....                                            | 54           | (453)                               | 507                                        |
| Income/(loss) from associates and joint ventures .....            | 8            | -                                   | 8                                          |
| Financial expense, net.....                                       | (178)        | -                                   | (178)                                      |
| Income/(loss) before taxes .....                                  | (116)        | (453)                               | 337                                        |
| Income tax (expense)/benefit.....                                 | 20           | 92                                  | (72)                                       |
| Net income/(loss).....                                            | (96)         | (361)                               | 265                                        |
| Attributable to non-controlling interests .....                   | (2)          | -                                   | (2)                                        |
| Net income/(loss) attributable to Syngenta AG shareholders .....  | (98)         | (361)                               | 263                                        |
| Tax rate .....                                                    | 17%          | 20%                                 | 21%                                        |
| Number of shares – basic (millions) .....                         | 92           |                                     | 92                                         |
| Number of shares – diluted (millions) .....                       | 92           |                                     | 92                                         |
| Basic earnings per share .....                                    | (1.06)       | (3.91)                              | 2.85                                       |
| Diluted earnings per share .....                                  | (1.06)       | (3.91)                              | 2.85                                       |

| <b>2016 (\$m, except percentage, share and per share amounts)</b> | <b>Total</b> | <b>Restructuring and impairment</b> | <b>Before restructuring and impairment</b> |
|-------------------------------------------------------------------|--------------|-------------------------------------|--------------------------------------------|
| Operating income .....                                            | 1,647        | (477)                               | 2,124                                      |
| Income/(loss) from associates and joint ventures .....            | 5            | -                                   | 5                                          |
| Financial expense, net.....                                       | (291)        | -                                   | (291)                                      |
| Income before taxes .....                                         | 1,361        | (477)                               | 1,838                                      |
| Income tax expense .....                                          | (180)        | 87                                  | (267)                                      |
| Net income.....                                                   | 1,181        | (390)                               | 1,571                                      |
| Attributable to non-controlling interests .....                   | (3)          | -                                   | (3)                                        |
| Net income attributable to Syngenta AG shareholders .....         | 1,178        | (390)                               | 1,568                                      |
| Tax rate .....                                                    | 13%          | 18%                                 | 15%                                        |
| Number of shares – basic (millions) .....                         | 92           |                                     | 92                                         |
| Number of shares – diluted (millions) .....                       | 92           |                                     | 92                                         |
| Basic earnings per share .....                                    | 12.80        | (4.24)                              | 17.04                                      |
| Diluted earnings per share .....                                  | 12.79        | (4.24)                              | 17.03                                      |

| <b>2015 (\$m, except percentage, share and per share amounts)</b> | <b>Total</b> | <b>Restructuring and impairment</b> | <b>Before restructuring and impairment</b> |
|-------------------------------------------------------------------|--------------|-------------------------------------|--------------------------------------------|
| Operating income .....                                            | 1,841        | (388)                               | 2,229                                      |
| Income/(loss) from associates and joint ventures .....            | 7            | -                                   | 7                                          |
| Financial expense, net.....                                       | (256)        | -                                   | (256)                                      |
| Income before taxes .....                                         | 1,592        | (388)                               | 1,980                                      |
| Income tax expense .....                                          | (248)        | 88                                  | (336)                                      |
| Net income.....                                                   | 1,344        | (300)                               | 1,644                                      |
| Attributable to non-controlling interests .....                   | (5)          | -                                   | (5)                                        |
| Net income attributable to Syngenta AG shareholders .....         | 1,339        | (300)                               | 1,639                                      |
| Tax rate .....                                                    | 16%          | 23%                                 | 17%                                        |
| Number of shares – basic (millions) .....                         | 92           |                                     | 92                                         |
| Number of shares – diluted (millions) .....                       | 92           |                                     | 92                                         |
| Basic earnings per share .....                                    | 14.57        | (3.26)                              | 17.83                                      |
| Diluted earnings per share .....                                  | 14.52        | (3.26)                              | 17.78                                      |

| 2014 (\$m, except percentage, share and per share amounts) | Total | Restructuring and impairment | Before restructuring and impairment |
|------------------------------------------------------------|-------|------------------------------|-------------------------------------|
| Operating income .....                                     | 2,105 | (206)                        | 2,311                               |
| Income/(loss) from associates and joint ventures .....     | 7     | -                            | 7                                   |
| Financial expense, net.....                                | (217) | -                            | (217)                               |
| Income before taxes.....                                   | 1,895 | (206)                        | 2,101                               |
| Income tax expense .....                                   | (273) | 38                           | (311)                               |
| Net income.....                                            | 1,622 | (168)                        | 1,790                               |
| Attributable to non-controlling interests.....             | (3)   | -                            | (3)                                 |
| Net income attributable to Syngenta AG shareholders.....   | 1,619 | (168)                        | 1,787                               |
| Tax rate.....                                              | 14%   | 18%                          | 15%                                 |
| Number of shares – basic (millions) .....                  | 92    |                              | 92                                  |
| Number of shares – diluted (millions) .....                | 92    |                              | 92                                  |
| Basic earnings per share .....                             | 17.66 | (1.83)                       | 19.49                               |
| Diluted earnings per share .....                           | 17.60 | (1.82)                       | 19.42                               |

| 2013 (\$m, except percentage, share and per share amounts) | Total | Restructuring and impairment | Before restructuring and impairment |
|------------------------------------------------------------|-------|------------------------------|-------------------------------------|
| Operating income .....                                     | 2,086 | (179)                        | 2,265                               |
| Income/(loss) from associates and joint ventures .....     | 48    | -                            | 48                                  |
| Financial expense, net.....                                | (200) | -                            | (200)                               |
| Income before taxes.....                                   | 1,934 | (179)                        | 2,113                               |
| Income tax expense .....                                   | (285) | 38                           | (323)                               |
| Net income.....                                            | 1,649 | (141)                        | 1,790                               |
| Attributable to non-controlling interests.....             | (5)   | -                            | (5)                                 |
| Net income attributable to Syngenta AG shareholders.....   | 1,644 | (141)                        | 1,785                               |
| Tax rate.....                                              | 15%   | 22%                          | 15%                                 |
| Number of shares – basic (millions) .....                  | 92    |                              | 92                                  |
| Number of shares – diluted (millions) .....                | 92    |                              | 92                                  |
| Basic earnings per share .....                             | 17.88 | (1.53)                       | 19.41                               |
| Diluted earnings per share .....                           | 17.78 | (1.52)                       | 19.30                               |

## Adjusted EBITDA

|                                                                  | For the year ended Dec 31, |              |
|------------------------------------------------------------------|----------------------------|--------------|
|                                                                  | 2017                       | 2016         |
|                                                                  | (\$m)                      |              |
| Net income/(loss) attributable to Syngenta AG shareholders ..... | (98)                       | 1,178        |
| Non-controlling interests .....                                  | 2                          | 3            |
| Income tax expense/(benefit).....                                | (20)                       | 180          |
| Financial expense, net.....                                      | 178                        | 291          |
| Restructuring and impairment <sup>(1)</sup> .....                | 453                        | 477          |
| Depreciation, amortization and other impairment .....            | 538                        | 530          |
| <b>Subtotal.....</b>                                             | <b>1,053</b>               | <b>2,659</b> |
| Provision for Settlement of the U.S. Litigation .....            | 1,550                      | -            |
| <b>Adjusted EBITDA .....</b>                                     | <b>2,603</b>               | <b>2,659</b> |

(1) See Note 6 to the 2017 Financial Report, incorporated by reference in this Offering Memorandum for further information.

**Reconciliation of Free Cash Flow (Non-GAAP Measure) to Cash Flow from Operating Activities (GAAP Measure)**

|                                                                                                             | For the year ended Dec 31, |              |
|-------------------------------------------------------------------------------------------------------------|----------------------------|--------------|
|                                                                                                             | 2017                       | 2016         |
|                                                                                                             | (\$m)                      |              |
| Cash flow from operating activities .....                                                                   | 1,839                      | 1,807        |
| Cash flow used for investing activities .....                                                               | (577)                      | (521)        |
| Cash flow (from) / used for marketable securities .....                                                     | (48)                       | 53           |
| Cash flow (from) / used for foreign exchange movements and settlement of hedges of inter-company loans..... | 5                          | 18           |
| <b>Free cash flow</b> .....                                                                                 | <b>1,219</b>               | <b>1,357</b> |

**Constant Exchange Rates**

Syngenta compares results from one period to another period in this Offering Memorandum using variances calculated at CER. To present that information, current period results for entities reporting in currencies other than U.S. dollars are converted into U.S. dollars at the prior period's exchange rates, rather than the exchange rates for the current year. See Note 24 to the consolidated financial statements included in the 2017 Financial Report incorporated by reference herein for information on average exchange rates in 2017 and 2016. For example, if a European entity reporting in Euros sold €100 million of products in 2017 and 2016, Syngenta's financial statements would report \$112 million of revenues in 2017 (using 0.89 as the rate, which was the average exchange rate in 2017) and \$111 million in revenues in 2016 (using 0.90 as the rate, which was the average exchange rate in 2016). The CER presentation would translate the 2017 results using the 2016 exchange rates and indicate that underlying revenues were flat. Syngenta presents this CER variance information in order to assess how its underlying business performed before taking into account currency exchange fluctuations. Syngenta also presents its actual reported results in order to provide the most directly comparable data under GAAP.

## **BUSINESS**

### **History and Development of Syngenta**

#### ***Investments and Divestments***

Information on acquisitions, divestments and other significant transactions completed by Syngenta during each of the years ended December 31, 2017 and 2016 is included in “Operating and Financial Review and Prospects” and in Note 3 to the consolidated financial statements included in the 2017 Financial Report incorporated by reference herein.

On February 2, 2016, Syngenta AG entered into the Transaction Agreement with ChemChina and China National Agrochemical Corporation, pursuant to which ChemChina agreed to cause a newly-incorporated company that is directly or indirectly controlled by ChemChina, CNAC, to submit the ChemChina Tender Offer. In accordance with the terms of the Transaction Agreement, which was unanimously approved by Syngenta AG’s Board of Directors, CNAC offered the shareholders of Syngenta AG \$465 per ordinary share, payable in cash, plus a special dividend of CHF 5 payable by Syngenta AG once the ChemChina Tender Offer became unconditional and prior to its first settlement. On March 23, 2016, CNAC launched the ChemChina Tender Offer. Following the second settlement of the ChemChina Tender Offer on June 7, 2017, CNAC had acquired 94.7% of Syngenta AG shares in aggregate. On July 13, 2017, following the purchase of additional Syngenta AG shares, ChemChina announced that its ownership in Syngenta AG had exceeded 98% of Syngenta AG’s share capital.

As a consequence, ChemChina filed a petition with the Basel Appellate Court to cancel the remaining Syngenta AG shares that were not held by ChemChina or any of its affiliates. Holders of these Syngenta AG shares received the offer price of \$465 per Syngenta AG share following completion of the court proceedings. On October 2, 2017, Syngenta AG applied for the de-listing from the SIX Swiss Exchange of its shares and on December 21, 2017, the request was approved by SIX Exchange Regulation. The last day of trading was January 5, 2018 and the effective date of de-listing was January 8, 2018. On January 8, 2018, Syngenta AG filed for voluntary de-listing of its ADSs from the New York Stock Exchange, which became effective on January 18, 2018. On January 19, 2018, Syngenta AG filed for deregistration of its securities from the SEC, suspending its reporting obligations under the Exchange Act.

### **Industry Overview**

Syngenta is a world leading agribusiness operating in the crop protection, seeds, controls and flowers markets. Crop protection chemicals include herbicides, insecticides, fungicides and seed treatments to control weeds, insects and diseases in crops, and are essential inputs enabling growers around the world to improve agricultural productivity and food quality. In Seeds, Syngenta operates in the high value commercial sectors of field crops (including corn, oilseeds and cereals) and vegetables. The controls business provides turf and landscape and professional pest management products, and the flowers business provides flower seeds, cuttings and young plants, to professional growers and consumers.

### **Syngenta’s Business**

Syngenta’s business is divided into five reporting segments: the four geographic regions, Europe, Africa and Middle East, North America, Latin America and Asia Pacific, comprising the Crop Protection and Seeds businesses; and the global Controls and Flowers business. These segments are described in greater detail below.

Sales and operating income for the segments, as presented in “Operating and Financial Review and Prospects,” are seasonal. Results for the Europe, Africa and Middle East, North America and global Controls and Flowers segments are weighted towards the first half of the calendar year, which largely reflects the northern hemisphere planting and growing cycle. Results for the Latin America segment are weighted towards the second half of the calendar year, which largely reflects the southern hemisphere planting and growing cycle. Results for the Asia Pacific segment are more uniform throughout the year.

References in this Offering Memorandum to Syngenta’s competitive position, identified by terms such as “world-leading,” “leader,” “leading,” “largest,” “broadest”, or similar expressions are based where possible on

global agrochemical and biotechnology industry information provided by a third party or on information published by major competitors and are supplemented by Syngenta internal estimates.

## **Regional Business**

Based on the combined strength of its Crop Protection and Seeds businesses, Syngenta regards itself as well positioned to address the increasingly complex challenges facing farmers. The Crop Protection and Seeds businesses are structured into territories grouped under the four geographic regions (Europe, Africa and Middle East, North America, Latin America and Asia Pacific). Under this regional business, Syngenta is developing an expanded product pipeline and increasing its reach into new markets with new products, solutions and local go-to-market strategies for the key global crops.

## **Description of Products**

### ***Crop Protection***

Syngenta is active in herbicides, especially for corn, cereals, soybean and rice; fungicides mainly for corn, cereals, fruits, grapes, rice, soybean and vegetables; insecticides for fruits, vegetables and field crops; and seedcare, primarily in corn, soybean, cereals, oilseeds and cotton. Herbicides are products that eliminate, prevent the growth of, or reduce weeds that compete with the crop for nutrients, light and water. Herbicides can be subdivided into (i) selective herbicides, which are crop-specific and control weeds without harming the crop and (ii) non-selective herbicides, which reduce or halt the growth of all vegetation with which they come into contact. Fungicides are products that prevent and cure fungal plant diseases that affect crop yield and quality. Insecticides are products that control chewing pests such as caterpillars and sucking pests such as aphids, which reduce crop yields and quality. Seed treatment products are fungicides, insecticides and nematocides applied to the seed and used to protect growth during the early stages of a crop's life. To complement traditional crop protection chemistry, Syngenta is also investing in abiotic stress management and biocontrol solutions.

Syngenta has a broad range of crop protection products, making it number one or two in all of its target sectors, underpinned by strong worldwide market coverage.

### ***Seeds***

Syngenta produces and markets seeds and plants that have been developed using advanced genetics and related technologies. Syngenta sells seed products in all geographic territories.

Syngenta's seed portfolio is one of the broadest in the industry, offering over 200 product lines and over 5,000 varieties of Syngenta's own proprietary genetics. Syngenta divides its seed products into field crops, such as corn, soybean, rice, cereals and oilseeds and vegetables. With a significant market share in vegetables, corn, soybean, cereals and sunflower, Syngenta aims to improve its seeds market share from a weak number three to a strong number three position. Seed products are derived from a germplasm pool and trait portfolio and developed further utilizing sophisticated plant-breeding methods. In addition to income from sales of branded seeds, Syngenta generates income from licensing arrangements.

### ***Controls and Flowers***

Controls and Flowers leverages Syngenta's agricultural chemical technologies into the adjacent markets of (i) consumer home and garden, (ii) turf, landscape and professional pest management and (iii) ornamental flower growers, where it is also a major supplier of flower seeds, cuttings and young plants. Sales are made primarily via distributors through to its professional customer base.

Consumer home and garden products are primarily based on Syngenta's fungicide, herbicide and insecticide range and mostly sold in bulk to wholesale companies for repackaging and sale to retailers.

Turf, landscape and professional pest management provides pesticides products in four markets: turf (primarily golf courses), sold through specialized distributors, dealers and professional applicators; pest management, sold primarily through distributors and directly to some large customers; vector control (control of disease spreading insects and pests), where sales are made to governments or NGOs, with some sales through distributors; and

vegetation management (trees, forestry and aquatics), where the primary customers are distributors or local governments.

Ornamental flowers provide growers of ornamentals and pot and bedding plants, bulbs and cut flowers with a range of chemical and biological crop protection solutions. In addition, it supplies seeds, cuttings and young plants to distributors, growers and retailers serving the pot and bedding plant markets. Syngenta's flowers business (Syngenta Flowers) has a heritage dating back over 140 years and is active in all major regions. As the global leader in seeds and cuttings, Syngenta Flowers offers a wide range of pot and bedding plant genetics.

## Key Marketed Products and Services

### *Crop Protection*

#### *Selective Herbicides*

Syngenta has a broad range of Selective herbicides that control grasses and broad-leaved weeds and are applicable to most crops, with a special emphasis on corn, soybean and cereals.

- **Atrazine** (AATREX®/GESAPRIM®) acts mainly against broad-leaved weeds. Although Atrazine was introduced in 1957 and has been off patent for a number of years, it remains an important product for broad-leaved weed control in corn, sorghum and sugarcane. Atrazine is marketed in all regions
- **Bicyclopyrone** (ACURON™) is the leading residual corn herbicide which provides broad spectrum broadleaf and annual grass weeds control. Bicyclopyrone was developed to complement mesotrione. When combined with atrazine and S-metolachlor in ACURON™, it delivers multi-targeted control of the most problematic broadleaf and grass weeds with built-in resistance management technology with four active ingredients and three modes of action. Bicyclopyrone is marketed in North America.
- **Clodinafop** (TOPIK®/HORIZON®/ DISCOVER®) is a grass herbicide which provides a broad spectrum of annual grass control in wheat and barley. To further increase crop safety in cereals, the active substance clodinafop is mixed with the safener cloquintocet, which selectively enhances the degradation of clodinafop in cereals but not in grass weeds. Clodinafop is marketed in all regions.
- **Fluazifop-P-Butyl** (FUSILADE®) is one of the leading products for post-emergence control of grass weeds. It is registered for use in over 60 crops with major outlets in cotton and soybeans in the United States and Brazil; and oilseed rape in Europe. The selective action of FUSILADE® allows growers to target applications when grass weeds appear, allowing cost-effective weed control. Fluazifop-P-Butyl is marketed in all regions. In accordance with the commitments given to the European Commission relating to ChemChina's acquisition of Syngenta, Fluazifop-P-Butyl is part of a portfolio of products being divested in the European Economic Area (EEA).
- **Fomesafen** (FLEX®) provides pre- and post-emergence control and quick eradication of a wide range of broadleaf weeds to protect yields in soybeans, dry beans and other legume crops. Fomesafen is marketed in all regions.
- **Mesotrione** (CALLISTO® family) is a pre- and post-emergent herbicide with a very broad spectrum against key broad-leaved weeds in corn and sugar cane. Mesotrione is marketed in all regions.
- **Pinoxaden** (AXIAL®) is an innovative post-emergent selective grassweed herbicide, for use in both wheat and barley. It offers the grower efficacy, selectivity and flexibility. Pinoxaden is marketed in all regions.
- **S-metolachlor** (DUAL GOLD®/ DUAL MAGNUM®) is a lower dose rate replacement for metolachlor for grass weeds control. Its use has not only reduced the amount of product sprayed on fields, thus responding to the pesticide reduction goals established by many countries, but has also decreased the energy required to produce, transport and store the product, as well as decreasing total packaging material. S-metolachlor is well tolerated and can be safely used on more than 70 different crops. It manages difficult to control glyphosate-resistant weeds and is a key component in Syngenta's Early Season Weed Management portfolio. S-metolachlor is marketed in all regions.

### *Non-Selective Herbicides*

Syngenta has a series of Non-selective herbicides, which reduce or halt the growth of all vegetation with which they come in contact.

- **Diquat** (REGLONE®), a non-selective contact herbicide, is mainly used as a desiccant to allow easier harvesting and reduce drying costs. Diquat is marketed in all regions.
- **Glyphosate** (TOUCHDOWN®) a non-selective herbicide with systemic activity, is Syngenta's offer in the market for glyphosate-based products. Glyphosate is registered in over 90 countries, including for use on herbicide tolerant corn and soybeans in the United States and Brazil.
- **Paraquat** (GRAMOXONE®), first introduced in 1962, is one of the world's largest selling non-selective contact herbicides and a vital tool to manage increasing weed resistance challenges worldwide. It has been a key product in the development of minimum tillage cropping systems, the adoption of which continues to increase because of benefits such as the reduction of soil erosion. Paraquat is marketed in North America, Latin America, Asia Pacific, Africa and the Middle East.

### *Fungicides*

Syngenta has a broad range of fungicides that prevent and cure fungal plant diseases that affect crop yield and quality.

- **Azoxystrobin** (AMISTAR® Technology), a strobilurin fungicide, is registered for use in approximately 100 countries and for approximately 120 crops. In Brazil, it is used to control Asian rust in soybeans in a mixture branded as PRIORI® Xtra. Mixtures of AMISTAR® Technology with triazoles (cyproconazole, difenoconazole or propiconazole) or chlorothalonil have been developed to combat diseases in cereal crops, primarily in Europe. Mixtures are also used in corn (QUILT®), rice, vegetables and specialty crops (AMISTAR® Top, AMISTAR® Xtra). AMISTAR® Technology is marketed in all regions.
- **Chlorothalonil** (BRAVO®) is a world-leading fungicide. With its multi-site mode of action, it is a good partner for most fungicides such as AMISTAR® Technology or isopyrazam, mefenoxam, and mandipropamid and is increasingly being integrated into disease control programs using multiple products. Chlorothalonil is used in all major crops, and is marketed in all regions.
- **Cyproconazole** (ALTO®) is a systemic fungicide with broad-spectrum activity, especially against rust and leaf spot in cereals, soybean and coffee. Syngenta mainly sells cyproconazole in mixtures with other fungicides principally in Latin America and Europe, Africa and Middle East. Cyproconazole is marketed in all regions.
- **Cyprodinil** (UNIX®/STEREO®<sup>1</sup>/SWITCH®/CHORUS®) is distinctive chemistry (unique in cereals). Products containing cyprodinil are active against a wide range of difficult to control pathogens (eyespot, net blotch, scab, botrytis) whilst having an excellent safety and environment profile. Cyprodinil is marketed in all regions.
- **Difenoconazole** (SCORE®, ARMURE®, TASPA®) is a systemic triazole fungicide with broad-spectrum activity against plant diseases, particularly leaf spots of pome fruit, vegetables, soybeans, rice and plantation crops. Long-lasting protective and strong curative activity make it well suited for threshold based plant disease management whereby the plant is treated only when the development of the disease has passed a certain point. Target crop pathogens include Cercospora, Alternaria, Septoria and other leaf spots, powdery mildews and scabs as well as seed-borne diseases. Difenoconazole is marketed in all regions.
- **Isopyrazam** (BONTIMA®, SEGURIS®, REFLECT®) is a broad-spectrum fungicide for cereals, banana, pome fruit, oilseed rape and vegetables which complements Syngenta's existing product range and

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<sup>1</sup> Pursuant to commitments given to the European Commission, Syngenta granted an exclusive right to Makhteshim Agan Industries Ltd. (now Adama Ltd.) to use and sell STEREO® formulation for use on cereals for the duration of its registration in Denmark, Finland and Sweden.

provides additional resistance management opportunities. Isopyrazam is marketed in Europe, Africa and Middle East, Latin America and Asia Pacific. In accordance with the commitments given to the European Commission relating to ChemChina's acquisition of Syngenta, Isopyrazam is part of a portfolio of products being divested in the European Economic Area (EEA).

- **Mandipropamid** (REVUS<sup>®</sup>) is currently registered in almost 100 countries and is used on fruits and vegetables to combat late blight and downy mildew. Mandipropamid is marketed in all regions.
- **MEFENOXAM**<sup>™</sup> (RIDOMIL GOLD<sup>®</sup>/FOLIO GOLD<sup>®</sup>) is used for the control of air-borne, seed- and soil-borne diseases caused by fungi such as pythium damping-off, late blight, pink rot and downy mildews. It is used on a wide variety of crops, including field, vegetable, oil and fiber crops. MEFENOXAM<sup>™</sup> is marketed in all regions.
- **Oxathiapiprolin**<sup>2</sup> (ORONDIS<sup>®</sup>) is a piperidinyl thiazole isoxazoline class of fungicides. ORONDIS<sup>®</sup> is a step change fungicide for oomycete control in vegetables and specialty crops providing effective long lasting field performance, protection of new growth in plants and consistent disease control. ORONDIS<sup>®</sup> premixes with various active ingredients will be sold worldwide within one global brand family that contains suffixes for differentiation of the mixtures. ORONDIS<sup>®</sup> is marketed in North America.
- **Propiconazole**<sup>3</sup> (TILT<sup>®</sup>/BANNER<sup>®</sup>) is a foliar fungicide for broad spectrum disease control in cereals, bananas, rice, corn, peanuts, turf and other food and non-food crops. Propiconazole provides a strong curative and protective activity against a wide range of plant pathogens including powdery mildews, rusts and other leaf spot pathogens. Propiconazole is marketed in all regions.
- **SOLATENOL**<sup>™</sup> (ELATUS<sup>™</sup>, APROVIA<sup>™</sup>) belongs to the carboxamide chemistry with SDHI mode of action and is combined with AMISTAR<sup>®</sup> Technology to produce ELATUS<sup>™</sup>, a foliar fungicide for use on soybean Asian Rust disease, which is the largest disease problem faced by farmers in Latin America. ELATUS<sup>™</sup> is marketed in North America, Latin America and Europe and will be sold in Asia Pacific in 2018.
- **Trinexapac-ethyl** (MODDUS<sup>®</sup>) is a plant growth regulator. In cereals it reduces growth so that treated plants stay shorter and have stronger stems, enhancing their ability to withstand storms and remain upright until harvest. In sugar cane it is a yield enhancer and harvest management tool. Trinexapac-ethyl is marketed in all regions.
- **ADEPIDYN**<sup>™</sup> (MIRAVIS<sup>™</sup> Duo) is a new broad spectrum fungicide belonging to the carboxamide chemistry with SDHI mode of action. It delivers a step change in efficacy against leaf spots and excellent control of powdery mildew across multiple crops. In addition ADEPIDYN<sup>™</sup> is highly active on difficult to control diseases such as Botrytis, Sclerotinia, Corynespora and Fusarium Head Blight, which cause severe damage on key crops. Products containing ADEPIDYN<sup>™</sup> are being developed for canola, cereals, corn, soybean, specialty crops, vegetables and controls and flowers across the globe. ADEPIDYN<sup>™</sup> was registered in Argentina in 2016 and will be expanded worldwide in the years to come.

#### *Insecticides*

Syngenta has a broad range of insecticides that control chewing pests such as caterpillars and sucking pests such as aphids, which reduce crop yields and quality. These products are applied either to the soil or sprayed onto the foliage.

- **Abamectin** (VERTIMEC<sup>®</sup> or AGRIMEC<sup>®</sup>/AGRI-MEK<sup>®</sup>) is produced by fermentation. This potent insecticide and acaricide is used at very low dose rates against mites, leafminers, nematodes and some other insects in fruits, vegetables, cotton and ornamentals. Abamectin rapidly penetrates the plants and is a useful product for integrated pest management. Abamectin is marketed in all regions.

<sup>2</sup> Oxathiapiprolin is licensed from DuPont.

<sup>3</sup> Pursuant to commitments given to the European Commission, Syngenta granted an exclusive right to Makhteshim Agan Industries Ltd. (now Adama Ltd.) to use and sell its TILT<sup>®</sup> 250EC and TILT<sup>®</sup> 6.25GL formulations for use on cereals in Denmark, Finland and Sweden for the duration of their registrations.



- **Chlorantraniliprole mixtures** (DURIVO<sup>®</sup>/AMPLIGO<sup>®</sup>/VIRTA<sup>®</sup>/VOLIAM FLEXI<sup>®</sup>/VOLIAM TARGO<sup>®</sup>). Chlorantraniliprole, licensed from E.I. DuPont de Nemours and Co (“DuPont”) for sale in mixtures with Syngenta active ingredients, is a chemical of the diamide class characterized by a unique mode of action and outstanding activity on all major lepidoptera pests in soybean, rice, vegetables, corn, fruits and cotton. Chlorantraniliprole mixtures are marketed in all regions.
- **Emamectin Benzoate** (PROCLAIM<sup>®</sup>) provides control of caterpillars on vegetables, cotton and fruits, combining a unique mode of action with extremely low use rates and is compatible with integrated pest management. It has been launched in major markets such as Japan, Korea, the United States, Mexico, Australia and India and is under registration in a number of other countries. Emamectin Benzoate is marketed in all regions.
- **Lambda-cyhalothrin** (KARATE<sup>®</sup> ZEON<sup>®</sup>/ICON<sup>®</sup>) is one of the world’s most potent pyrethroids and is used on a wide range of crops to control chewing and sucking insects. Lambda-cyhalothrin is marketed in all regions.
- **Lufenuron** (MATCH<sup>®</sup>) is an insect growth regulator that controls caterpillars in corn, potatoes, cotton, vegetables and fruits. It is a leading insecticide in terms of sales in its chemical class. Lufenuron is marketed in Europe, Africa and Middle East, Latin America and Asia Pacific.
- **Thiamethoxam** (ACTARA<sup>®</sup>/ENGEO<sup>®</sup>) is highly active at low use rates against a broad spectrum of soil and sucking insects. It is highly systemic and well suited for application as a foliar spray, drench or drip irrigation. It is fast acting, works equally well under dry and wet conditions and has a favorable safety and environmental profile. It has been developed for a broad range of crops, including vegetables, potatoes, cotton, soybeans, rice, pome fruits and stone fruits (such as peaches or plums). Thiamethoxam is marketed in all regions<sup>4</sup>.
- **Tefluthrin** (FORCE<sup>®</sup>) is a premium corn granular and liquid insecticide that provides broad-spectrum soil insect control and residue activity. Tefluthrin is marketed in all regions.

#### *Seed Treatment*

Syngenta Seedcare is a global leader in the seed treatment market and differentiates itself by providing comprehensive offers consisting of products, application and services to its customers: seed companies; the distribution channel; and growers.

The use of Syngenta seed treatment products is an effective, efficient, and targeted method to protect seedlings and young plants against diseases, insects and nematodes during the period when they are most vulnerable, the first 30 days after planting. Syngenta’s broad range of fungicides, insecticides, nematicides and abiotic stress management seed treatments allows it to provide a modern portfolio of safe and highly effective products. As seeds increase in value, seed protection becomes more important as growers are seeking to obtain one viable plant from each seed.

- **Abamectin** (AVICTA<sup>®</sup>) is a seed treatment for the control of nematodes in cotton, corn and soybeans. Abamectin is currently marketed in North America, Latin America and South Africa.

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<sup>4</sup> The European Commission suspended effective December 1, 2013 the use of neonicotinoid insecticides on bee attractive crops before and during flowering due to the alleged impact of these products on bee populations. The suspension impacts sales of Syngenta’s thiamethoxam products in European Union markets, primarily the seed treatment CRUISER<sup>®</sup> in corn, sunflower and oilseed rape crops.. On August 27, 2013, Syngenta submitted a legal challenge to the European Commission’s decision to suspend the use of thiamethoxam on bee attractive crops, the court decision is expected early 2018. Thiamethoxam continues to be used in European Union markets as CRUISER<sup>®</sup> in sugarbeet, a non-bee attractive crop, and in potatoes and vegetable crops in glass houses, and as ACTARA<sup>®</sup>/ENGEO<sup>®</sup> on all crops after flowering. The EU Commission proposed in May 2017 to restrict thiamethoxam uses in the EU to greenhouse uses only. A voting about this proposal is expected in early 2018. France will ban agricultural uses of all neonicotinoids including thiamethoxam starting in September 2018 (derogations possible until July 2020).

- **Difenoconazole** (DIVIDEND®) is active against a broad range of diseases including bunts, smut and damping-off on cereals and oilseed rape. This product is highly systemic and provides a long lasting, high-level effect. It is safe for seeds and seedlings and provides for a faster germination than other products in the market. Difenoconazole is marketed in all regions.
- **Fludioxonil** (MAXIM® or CELEST®) is a contact fungicide with residual activity. Derived from a natural compound, fludioxonil combines excellent crop tolerance with low use rates. Its spectrum of targets includes seed and soil-borne diseases like damping-off, bunt, smut, fusarium, snow mold and leaf stripe on cereals. Used alone or in mixtures with other active substances, it is also effective on corn, soybean, rice, cotton, potatoes, vegetables and peas. Fludioxonil is marketed in all regions.
- **MEFENOXAM™** (APRON® XL) is used for the control of seed and soil-borne diseases caused by fungi such as pythium, phytophthora and downy mildews. It is used worldwide on a wide variety of crops, including field crops, vegetables, oil and fiber crops. MEFENOXAM™ is also used as a mixing partner for seed protection at low use rates. MEFENOXAM™ is marketed in all regions.
- **Sedaxane** (VIBRANCE™) is a proprietary fungicide based on the SDHI mode of action combining excellent control against a broad range of seed- and soil-borne diseases with ideal mobility in the soil. This gives long-lasting protection for the entire root system, resulting in higher crop productivity in a broad range of crops including cereals, soybean, oilseed rape, corn, rice, sunflower, cotton and potatoes. Sedaxane received broad registration in 2014 and is marketed in all regions.
- **Thiamethoxam** (CRUISER®) is an insecticide with systemic activity in a wide range of crops including cereals, cotton, soybeans, canola, corn, sunflower and rice. Its properties are such that it provides a consistent performance under a wide range of growing conditions. Thiamethoxam acts against a wide range of early season sucking and chewing, leaf feeding and soil-dwelling insects such as aphids, thrips, jassids, wireworms, flea beetles and leafminers. Thiamethoxam is marketed in all regions<sup>4</sup>.
- **Cyantraniliprole** (FORTENZA®/FORTENZA® DUO) Syngenta acquired from DuPont in 2008 the rights to access cyantraniliprole, a second generation diamide, for use in different agricultural fields. This new seed treatment insecticide delivers best-in-class early season insect protection both above and below ground. It acts both as a chemical and insect resistance management tool and will be available for a wide range of crops including corn, soybeans, oilseed rape, sunflower and rice. FORTENZA®/FORTENZA® DUO were granted registration in several countries including Canada and Argentina in 2013, China in 2014, Mexico and Turkey in 2015 and Brazil in 2016. Future seed treatment registrations are planned for other Latin American countries, Asian countries, Europe and Africa. FORTENZA®/FORTENZA® DUO have been commercially launched in Argentina, Brazil, Canada, China, Mexico and Turkey.

In addition to its leading product portfolio, Seedcare delivers comprehensive technical and application support services to its customers through its network of 12 Seedcare institutes, located in key markets around the world, which enables quality seed treatment application onto seeds.

## Seeds

### Field Crops

- **Cereals** (NK®, AGRIPRO®, C.C. BENOIST™, HYVIDO®) wheat and barley varieties combine high yield, superior disease resistance and agronomic characteristics coupled with excellent grain quality for the milling, malting and animal feed industries. Cereals are sold mainly in Europe and North America. In wheat, a number of new products have been launched across the spring and winter wheat ranges with high yield, good disease tolerance and high bread making qualities. These new wheat seeds are marketed mainly in Europe and North America. HYVIDO® is a hybrid barley that offers increased yield, consistency of yield and improved resistance to abiotic stresses, marketed in Europe.
- **Corn** (GOLDEN HARVEST®, NK®, SPS®, INNOTECH™, CATALYST® and PHOENIX®) hybrids are sold by Syngenta via established distribution channels covering a full range of countries and maturities. In addition, hybrids and inbred lines are licensed to other seed companies in the U.S. via Greenleaf Genetics LLC. Syngenta hybrids are characterized by their high yield potential, stability of performance, uniformity

and vigor. In approved markets, many of Syngenta's elite hybrids are offered as stacked trait versions that include AGRISURE VIPTERA<sup>®</sup>, and AGRISURE DURACADE<sup>®</sup>, which provide built-in insect protection against corn borers and corn rootworms and tolerance to glyphosate herbicide. Syngenta also offers seeds with AGRISURE ARTESIAN<sup>®</sup> technology, which improves the corn plant's water use efficiency. Competitive hybrids developed through marker assisted breeding, are sold for silage and grain markets. Different hybrids of corn seeds are marketed in all regions.

- **ENOGEN<sup>®</sup>** is a corn seed technology incorporating a corn amylase trait that is the first genetically modified output trait in corn for the U.S. ethanol industry. By enabling expression of an optimized alpha-amylase enzyme directly in corn, dry grind ethanol production can be improved in a way that can be easily integrated into existing infrastructure.
- **Oilseeds** (SYNGENTA<sup>®</sup>, NK<sup>®</sup>, SPS<sup>®</sup>) include sunflower and oilseed rape. Syngenta sunflower seed hybrids are bred for high yield as well as heat stress tolerance, disease resistance, broomrape tolerance, herbicide tolerance and oil quality. Syngenta's oilseed varieties combine high yield genetic superiority and herbicide tolerance, which give growers flexibility in their weed control. The company's oilseed rape varieties and hybrids offer good oil production and plant health. Sunflower seeds are sold primarily in Russia, Ukraine, Southeast Europe and Argentina while the major markets for oilseed rape are Europe and Canada. Syngenta entered the canola seeds business in Canada in the 2013/2014 growing season and currently is marketing four high yielding hybrids with herbicide tolerance provided by the Genuity<sup>®</sup> Roundup Ready<sup>®5</sup> trait. This new hybrid barterseed portfolio is being commercialized as part of an integrated cross-crop solution across the whole farm targeting canola, cereals and pulses.
- **Rice** (FRONTLINE<sup>®</sup>) In 2012, Syngenta acquired Devgen, which significantly broadened its rice portfolio with the addition of the FRONTLINE<sup>®</sup> brand. Under Rice Seeds global brand FRONTLINE<sup>®</sup>, new hybrids are introduced with improved yield, seed productivity, grain quality, and tolerance to biotic and abiotic stress factors. Rice is marketed in Asia Pacific.
- **Soybean** (SYNGENTA<sup>®</sup>, NK<sup>®</sup>, SPS<sup>®</sup>) varieties combine high yield genetic superiority, insect control and herbicide tolerance, which give growers flexibility in their insect and weed control. The major markets for soybean are in North America and Latin America. Syngenta also licenses varieties of soybean to other seed companies in the USA via Greenleaf Genetics LLC.

#### *Vegetables*

- Vegetables brands include ROGERS<sup>™</sup>, S&G<sup>®</sup>, ZERAIM GEDERA<sup>®</sup> and DAEHNFELDT<sup>®</sup> Syngenta offers a full range of vegetable seeds with an assortment of more than 20 species and more than 2000 varieties, including beans, broccoli, cabbage, carrots, cauliflower, cucumbers, lettuce, melons, onions, okra, peas, peppers, spinach, squash, sweet corn, tomatoes and watermelons. Syngenta breeds varieties with high-yield potential that can resist and tolerate pests and diseases. Syngenta develops genetics that address the needs of consumers as well as processors, commercial fresh market growers and the entire value chain. Different varieties of vegetable seeds are marketed in all regions.

#### **Controls and Flowers**

Ornamental controls, consumer home and garden, and turf and landscape brands include:

- **Abamectin** (VERTIMEC<sup>®</sup>) is a leading ornamental insecticide.
- **Azoxystrobin** (HERITAGE<sup>®</sup>/ORTIVA<sup>®</sup>/AMISTAR<sup>®</sup>) is a leading fungicide for use on turf, primarily golf courses, and in ornamentals.
- **NEMATHORIN<sup>®</sup> 150 EC** – fosthiazate<sup>5</sup> – controls soil nematodes in cut flower production.
- **Prodiamine** (BARRICADE<sup>®</sup>) is a pre-emergence grass and broad-leaved weed herbicide in turf.

<sup>5</sup> Fosthiazate is licensed from ISK Biosciences Corporation.

- **Thiamethoxam** (ACTARA®) is an insecticide highly active at low use rates against a broad spectrum of soil and sucking insects.
- **Trinexapac-Ethyl** (PRIMO MAXX®) is a herbicide on turf that prohibits vertical growth.

Professional pest management products for use in controlling insect and rodent pests include:

- **Primiphos-methyl** (ACTELLIC®) is an insecticide used for indoor residual spray programs to control the spread of malaria and other vector-borne diseases. Recently re-launched as an encapsulated formulation for longer residual activity, ACTELLIC® CS has gained World Health Organization approval and is increasingly used to eradicate mosquitoes which are resistant to the pyrethroid insecticide class.

Flower genetics brands include GOLDFISCH®, GOLDSMITH® SEEDS, YODER® and SYNGENTA®. FLOWER products include a full range of flower seeds, cuttings and young plants which Syngenta sells to professional flower growers. Syngenta focuses on breeding a full range of innovative flower varieties, including popular bedding plants such as viola, begonia, New Guinea impatiens, pelargonium and petunia; pot plants, such as cyclamen and poinsettia; cuttings for, amongst others, the growing market of hanging baskets, such as impatiens and verbenas; and a wide range of attractive perennials.

## Marketing and Distribution

Syngenta has marketing organizations in all its major markets with dedicated sales forces that provide customer and technical service, product promotion and market support. Products are sold to the end user through independent distributors and dealers, most of which also handle other manufacturers' products. Syngenta's products normally are sold through a two-step or three-step distribution chain. In the two-step chain Syngenta sells its products to cooperatives or independent distributors, which then sell to the grower as the end user. In the three-step system, Syngenta sells to distributors or cooperative unions which act as wholesalers and sell the product to independent dealers or primary cooperatives before on-selling to growers. Syngenta also sells directly to large growers in some countries. Syngenta's marketing network enables it to launch its products quickly and effectively and to exploit its range of existing products. Syngenta focuses on key crop opportunities in each territory. In those countries where Syngenta does not have its own marketing organization, it markets and distributes through other distribution channels.

Syngenta's marketing activities are directed towards distributors, agricultural consultants and growers. They consist of a broad range of advertising and promotional tools, such as meetings with growers and distributors, field demonstrations, advertisements in specialized publications, direct marketing activities, or information via the Internet. Syngenta is also in constant contact with the food and feed chain to evaluate current and future needs and expectations.

A key element of Syngenta's marketing is grower support and education. This is particularly important with respect to small growers in developing countries. For many years, Syngenta has held numerous courses around the world for growers as a result of which millions of farmers have been trained in the safe and sustainable use of crop protection products. As part of the Good Growth Plan initiated in 2013, Syngenta targets reaching 20 million smallholder farmers and helping them increase their productivity by 50%, while preserving the long-term potential of their land. This is being done with the help of partner organizations to enable access to technology and capacity building for smallholder farming in developing countries. Syngenta also trains agricultural extension workers and distributors so that they can further disseminate good practice and reach an even wider audience.

Syngenta's products are marketed throughout the world through brands, many of which are well known by growers and some of which have been established for many years. Brand names for Syngenta's key products are listed above in "— Key Marketed Products and Services." Syngenta's sales force markets the majority of Syngenta's brands, either to customers directly, in partnership with distributors, or through a network of dealers.

Syngenta has developed and utilizes a number of innovative ways to attract and retain customers in different parts of the world. In an effort to manage some foreign exchange and commodity price volatility in some countries, including Brazil and Argentina, Syngenta sells via barter. In Brazil and Argentina, a recognized agricultural barter trading method allows growers to pre-arrange sale of their soybean, cotton and cereals crops to commodity traders. Under such pre-arrangements, traders pay Syngenta for its crop protection products on growers' behalf when

growers deliver crops to the traders. Syngenta generally does not take ownership or delivery of the crops and retains only insignificant commodity price risk in barter transactions. Syngenta also directly barter with Brazilian coffee farmers by accepting their crop as payment for its crop protection products. Syngenta has developed a coffee trading network which sells the coffee to roasters and cooperatives internationally. These barter programs also help Syngenta and its customers mitigate the cash flow and financing risks inherent in the Brazilian agricultural market. Syngenta has introduced similar barter programs in Ukraine to secure collection of receivables from customers or to encourage growers to prepay for crop protection or seed products.

Syngenta also operates non-barter commodity price mitigation programs in certain countries, including South Africa, the Czech Republic and Slovakia. Certain of these programs assist growers by allowing those who purchase Syngenta products within the program to hedge, at no cost or risk to the grower, the price of an equivalent value of their crop via the commodity futures market. Participating growers are protected against crop price declines that may occur before harvest, which helps ensure their ability to pay Syngenta for its products, and retain their ability to profit from crop price increases. Syngenta does not retain any commodity price risk under these programs.

Lawn and Garden has marketing organizations in all its major markets with dedicated sales forces that provide customer and technical service, product promotion and market support. In cases where the crop protection market is not segmented into professional turf, landscape and professional pest management, ornamental or home and garden markets, the Syngenta regional business organization is used to market Lawn and Garden products to customers.

## **Production and Supply**

Syngenta's Production and Supply function plays a key role in implementing Syngenta's strategy in a sustainable manner by assuring product delivery, supporting growth plans, reducing costs and promoting efficient use of capital. Through the effective procurement, production and distribution of products, the function ensures that Syngenta meets its commitments to customers around the world. Production and Supply supports Syngenta's growth plans (particularly in emerging markets) and accelerates the building of expertise for scalability and efficiency.

The manufacture of chemical crop protection products and the production of seeds for sale to growers involve different processes.

Active ingredients used for crop protection products are manufactured at a limited number of sites located in Switzerland, the United States, the United Kingdom and China. Syngenta also operates a number of chemical formulation and packing sites strategically located close to the principal markets in which those products are sold. Syngenta operates major formulation and packing plants in Belgium, Brazil, China, France, South Korea, the United Kingdom and the United States.

Syngenta manages its Crop Protection supply chain globally and on a product-by-product basis, from raw materials through delivery to the customer, in order to maximize both cost and capital efficiency and responsiveness. Syngenta outsources the manufacture of a wide range of raw materials, from commodities through fine chemicals to dedicated intermediates and active ingredients. Sourcing decisions are based on a combination of logistical, geographical and commercial factors. Syngenta has a strategy of maintaining, when available, multiple sources of supply. Most purchases of supply chain materials are directly or indirectly influenced by commodity price volatility, due to price dependence on gas and oil.

Seeds for sale by Syngenta to growers are grown (multiplied) and harvested by independent contract farmers throughout the world. After the harvest, the raw seed is cleaned, calibrated, treated and packaged in Syngenta or third-party processing plants, which are located as close to the intended markets as possible so as to achieve cost effectiveness and match the seeds with the growing conditions that are optimal for the variety. This also eases logistics for seed products that require secure storage and timely delivery for the growing season. The largest facilities are located in Argentina, Brazil, France, Hungary, India, Morocco, Spain, Denmark, Thailand, the United States and the Netherlands.

Due to Syngenta's global presence, it can engage in seed production year-round with a goal of mitigating weather-related seed production risk. In addition, because its facilities are located in both the northern and southern hemispheres, Syngenta can shorten the time required to multiply seeds from breeding to commercial production. This enables it to produce marketable quantities more quickly than if it was dependent on only one growing season.

Syngenta's crop protection production process and facilities are leveraged to produce and source the range of turf, landscape and professional pest management, ornamentals and home and garden chemical products marketed by Lawn and Garden.

Syngenta Flowers uses its own seed production facilities in Guatemala, Turkey and the Netherlands to produce, clean, pellet, coat and package seed. In addition, independent contract growers in Turkey and Indonesia are used to supplement capacity and capability. Due to Syngenta's global presence, it can engage in seed production year-round with a goal of mitigating weather-related seed production risk. In addition, because its facilities are located in both the northern and southern hemispheres, Syngenta can shorten the time required to multiply seeds from breeding to commercial production. This enables it to produce marketable quantities more quickly than if it was dependent on only one growing season.

Syngenta Flowers sources vegetative cuttings from its own cutting production facilities in Kenya, Ethiopia, Guatemala and the USA, and from contract growers, notably in Mexico.

## **Research and Development**

Syngenta's R&D organization is dedicated to developing quality crop protection and seeds products, as well as crop-focused solutions which integrate multiple technologies. R&D focuses on taking a holistic approach to help customers grow their specific crop using the best technology to address their needs, be it a single technology, a combination of technologies, or technologies and services. Syngenta believes that R&D is well placed to effectively and efficiently innovate across crops and regions, resulting in faster and more efficient development and registration of new products.

R&D has three principal units:

- Research leverages the breadth of Syngenta's research expertise to innovate more productively;
- Development comprises product-centric development units to drive pipeline delivery to meet grower and business needs; and
- Platforms underpin the organization, including operations to drive effective implementation as well as the product safety & regulatory function to drive Syngenta's license to operate agenda.

Syngenta performs an extensive investigation of all safety aspects relating to its products. The human safety assessments address potential risks to both the users of the products and the consumers of food and feed, while in environmental safety Syngenta seeks assurance that the products will not adversely affect soil, water, air, flora or fauna.

To complement in-house expertise and bring in novel technologies, Syngenta actively seeks value-adding partnerships and collaborations to bring new offers to growers. It currently has over 400 R&D collaborations with universities, research institutes and commercial organizations around the world.

The total spent on Research and development in Crop Protection and Seeds was \$1,220 million in 2017 and \$1,247 million in 2016.

### ***Researching and Developing Crop Protection Products***

R&D provides Syngenta with innovative new chemical solutions, biologicals and intellectual property with the potential to be combined with other technologies and create maximum value to growers and differentiation. New research areas are guided by the advancement of new technologies in partnership with the commercial crop teams based on customer need, technology, regulatory requirements and socio-political trends.

Syngenta has major research centers focused on identifying new active ingredients in Stein, Switzerland and Jealott's Hill, United Kingdom. Syngenta is continuously improving its research process. State-of-the-art synthetic chemistry and high-speed automated synthesis are used in concert to effectively prepare the quantity and quality of compounds for both high throughput and highly targeted biological screening. A crucial feature is the structured design approach to chemistry, which ensures that the chemical entities possess properties most likely to relate to the desired product profile, including potency, spectrum and safety parameters.

Once an active ingredient is ready for testing, the development team, supported by the global expertise of the trialing function, ensures that the work is efficiently and effectively completed to turn promising molecules into products that are safe to users and the environment, pass all registration requirements and meet customers' needs. Such development typically takes six to eight years. The active ingredient's efficacy and safety is assessed as early as possible in the development process and all data is compiled for registration and safe product use.

Syngenta tests compounds on target crops globally under different climatic conditions and in varying soils. In parallel, an industrial scale manufacturing process is identified and optimized, and appropriate formulations and packages are developed. In addition, R&D works to improve Syngenta's current chemical products by supporting the development of new mixtures, formulations and programs that bring new effects and opportunities to growers. Refreshing the existing product range is key to continued success in the face of competition, even after patent expiry.

### ***Researching and Developing Seeds Products***

R&D is dedicated to creating new varieties of major crops having improved quality and productivity. This includes improving tolerance to pests and other environmental stresses as well as quality characteristics such as nutritional composition, consumer appeal and shelf life.

Syngenta's biotechnology activities primarily take place at Research Triangle Park, NC, USA, for both R&D of key native and genetically modified traits. Activities at this site are supported by smaller laboratories around the world. In addition, Syngenta operates approximately 100 breeding and germplasm enhancement centers strategically located around the world.

Syngenta expects that end users such as livestock producers, grain processors, food processors and other partners in the food chain will continue to demand specific qualities in the crops they use as inputs. Syngenta has therefore built up and continues to develop an extensive germplasm library.

In addition to general R&D agreements with other companies and academic institutions around the world, Syngenta has entered into a number of targeted alliances with other enterprises in order to further broaden its germplasm and trait base with the goal of creating more valuable products.

### ***Researching and Developing Controls and Flowers Products***

R&D to provide Syngenta with innovative new chemical solutions and intellectual property for its turf, landscape and professional pest management, ornamentals, and home and garden business is conducted at research centers used for crop protection product R&D in its regional business.

Flowers genetics R&D is dedicated to creating new varieties of major flower genetics having improved quality and productivity, either alone or in combination with other technologies. Syngenta's research and innovation provide the grower and retail markets with a choice of new genetics, shapes and colors of continuously improved longevity, stress tolerance and drought and disease resistance. Syngenta has major Flowers research centers in Andijk, Netherlands and Gilroy, California, USA, each of which is focused on identifying new or improved varieties of genetics with unique traits.

The total spent on Research and development in Controls and Flowers was \$53 million in 2017 and \$52 million in 2016.

## **Intellectual Property**

Syngenta protects its investments in R&D, manufacturing and marketing through patents, design rights, trademarks, trade secrets, plant variety protection certificates, plant breeders' rights and contractual language placed on packaging. The level and type of protection varies from country to country according to local laws and international agreements. Syngenta has one of the broadest patent and trademark portfolios in the industry and enforces its intellectual property rights, including through litigation if necessary.

In addition to patent protection for a specific active substance or for seeds (inbreds and varieties) and genomic-related products, patent protection may be obtained for processes of manufacture, formulations, assays, mixtures, and intermediates. These patent applications may be filed to cover continuing research throughout the life of a

product and may remain in force after the expiry of a product's per se patents in order to provide ongoing protection. The territorial coverage of patent filings and the scope of protection obtained vary depending on the circumstances and the country concerned.

Patents in respect of plant-related inventions may cover (i) transgenic plants and seeds gene effects, (ii) genetic constructs and individual components thereof and enabling technology for producing transgenic plants and seeds, and (iii) new breeding technologies such as marker-assisted breeding and products obtained thereby.

Syngenta licenses certain of its intellectual property rights to third parties and also holds licenses from other parties relating to certain of Syngenta's products and processes. Syngenta respects the intellectual property rights of others.

### **Competitive Environment**

Syngenta's key competitors are dedicated agribusinesses or large chemical companies headquartered in Western Europe and North America and comprise BASF, Bayer-Monsanto and DowDuPont. Companies in the crop protection business compete on the basis of strength and breadth of product range, product development and differentiation, geographical coverage, price and customer service. In many countries, generic producers of off-patent crop protection compounds are additional competitors to the research-based companies in the commodity segment of the market.

The main competitive factor in the seeds industry remains the quality of genetics and the increasing importance of traits. Historically, competition in the seeds industry has been fragmented, with small producers competing in local markets. With the emergence of biotechnology, the seeds industry has become research intensive. The majority of the transgenic products commercialized to date are traits that improve performance and farming efficiency in major world crops such as corn, soybean, cotton and canola (input traits). As a result, companies having access to a broad genetic range of germplasm as a platform for trait commercialization have a key competitive advantage. In addition to Monsanto, Pioneer, Bayer and Dow, other significant competitors in the seeds business are: Vilmorin, KWS, and Takii.

In the future, Syngenta expects that increased emphasis will continue to be placed on developing products that provide benefits to food and feed processors, fuel production, retail trade and consumers (output traits).

### **Government Regulations**

The field-testing, production, import, marketing and use of Syngenta's products are subject to extensive regulation and numerous government approvals. Registration procedures apply in all major markets.

Products must obtain governmental regulatory approval prior to marketing. The regulatory framework for such products is designed to ensure the protection of the consumer, the grower and the environment. Examples of some of the regulatory bodies governing Syngenta's products include the U.S. Environmental Protection Agency, the U.S. Department of Agriculture and the U.S. Food and Drug Administration.

All biotechnology products are subject to intense regulatory scrutiny and Syngenta conducts extensive studies to ensure products are safe for both consumers and the environment. An extensive Syngenta network of regulatory experts around the world ensures compliance and continued dialogue with the authorities regarding regulatory submissions, insect resistance management programs and participation in further development of the biotech regulatory framework.

Governmental regulatory authorities perform risk assessments on genetically modified ("GM") seed products to ensure the safety of the resulting plants and the food and feed derived from them. Syngenta obtains regulatory approvals for both cultivation and for import of products thereof into key importing countries that have functioning regulatory systems. Cultivation countries for Syngenta's GM seed currently include the US, Canada, Brazil, Argentina, Vietnam, Paraguay, Uruguay and the Philippines. Key import countries are defined based on the product and cultivation market. "Stacked" products developed through breeding to contain multiple GM traits are also subject to regulation in certain countries. Approvals in some countries are time limited and must be renewed on a periodic basis to ensure that each product adheres to current regulatory standards. Some countries also require safety monitoring and insect resistance management after product commercialization. Additionally, registration of new plant varieties, whether transgenic or not, is required in most countries, but not in the USA.



Government regulations, regulatory systems, and the politics that influence them vary widely among jurisdictions and change often. Obtaining necessary regulatory approvals is time consuming and costly, and data requirements for approvals continue to increase. There can be no guarantee of the timing or success in obtaining approvals.

## **Environment**

Syngenta designed its environmental management program with the aim of ensuring that its products and their manufacture pose minimal risks to the environment and humans. The crop protection industry is subject to environmental risks in three main areas: manufacturing, distribution and use of product. Syngenta aims to minimize or eliminate environmental risks by using appropriate equipment, adopting best industry practice and providing grower training and education.

The entire chain of business activities, from R&D to end use, operates according to the principles of product stewardship. Syngenta is strongly committed to the responsible and ethical management of its products from invention through ultimate use. Syngenta employs environmental scientists around the world who study all aspects of a product's environmental behavior.

Specially designed transportation and storage containers are used for the distribution of hazardous products and efficient inventory control procedures minimize the creation of obsolete stocks.

Syngenta has developed a rigorous screening and development process in order to mitigate risks relating to the use of its products. All active substances and products must meet both Syngenta's internal standards and regulatory requirements.

Syngenta provides support to growers on a local level such as training in application techniques and assistance in calibrating spray equipment in order to promote safe handling of its products. Syngenta extends product stewardship long after sales in several ways, for example, by collecting and safely destroying outdated products, and providing returnable containers to reduce waste.

Crop protection products are subject to rigorous registration procedures, which are aimed at ensuring safe product usage in the field. In addition to complying with these regulatory requirements, Syngenta has adopted its own Health, Safety and Environment management system. This provides a clear framework of management processes applicable at all sites, whatever the regulatory requirements in the country in which the site is situated.

Syngenta maintains a register of sites to identify manufacturing and distribution sites and locations that may have been contaminated in the past. The register is the basis for the allocation of appropriate provisions and action programs regarding measures to be taken. A risk portfolio is prepared for each site and reviewed annually. The risk portfolio is also applied to third-party manufacturers in order to identify and exclude poorly performing companies.

## THE GUARANTOR

Syngenta AG was incorporated on November 12, 1999 as a corporation (*Aktiengesellschaft*) under the laws of Switzerland. Syngenta AG is the holding company for a group of over 100 subsidiaries and employs over 27,000 employees. Syngenta is a world leading agribusiness operating in the crop protection and seeds business, which is involved in the discovery, development, manufacture and marketing of a range of products designed to improve crop yields and food quality, and in the lawn and garden business, which provides professional growers and consumers with flowers, turf and landscape, and professional pest management products. The registered office of the Guarantor is located at Schwarzwaldallee 215, 4058 Basel, Switzerland and its telephone number is +41 61 323 11 11.

Syngenta AG is headquartered in Basel, Switzerland. Novartis AG and AstraZeneca PLC in November 2000 agreed to spin off and merge the Novartis crop protection and seeds businesses with the AstraZeneca agrochemicals business to create Syngenta as a dedicated agribusiness company whose shares were then the subject of a global offering.

On February 2, 2016, Syngenta AG entered into the Transaction Agreement with ChemChina and China National Agrochemical Corporation, pursuant to which ChemChina agreed to cause a newly-incorporated company that is directly or indirectly controlled by ChemChina, CNAC, to submit the ChemChina Tender Offer. In accordance with the terms of the Transaction Agreement, which was unanimously approved by Syngenta AG's Board of Directors, CNAC offered the shareholders of Syngenta AG \$465 per ordinary share, payable in cash, plus a special dividend of CHF 5 payable by Syngenta AG once the ChemChina Tender Offer became unconditional and prior to its first settlement. On March 23, 2016, CNAC launched the ChemChina Tender Offer. Following the second settlement of the ChemChina Tender Offer on June 7, 2017, CNAC had acquired 94.7% of Syngenta AG shares in aggregate. On July 13, 2017, following the purchase of additional Syngenta AG shares, ChemChina announced that its ownership in Syngenta AG had exceeded 98% of Syngenta AG's share capital.

As a consequence, ChemChina filed a petition with the Basel Appellate Court to cancel the remaining Syngenta AG shares that were not held by ChemChina or any of its affiliates. Holders of these Syngenta AG shares received the offer price of \$465 per Syngenta AG share following completion of the court proceedings. On October 2, 2017, Syngenta AG applied for the de-listing from the SIX Swiss Exchange of its shares and on December 21, 2017, the request was approved by SIX Exchange Regulation. The last day of trading was January 5, 2018 and the effective date of de-listing was January 8, 2018. On January 8, 2018, Syngenta AG filed for voluntary de-listing of its ADSs from the New York Stock Exchange, which became effective on January 18, 2018. On January 19, 2018, Syngenta AG filed for deregistration of its securities from the SEC, suspending its reporting obligations under the Exchange Act.

The members of the Board, in their capacity as members of the Board of Syngenta AG, are as follows:

| Name                           | Responsibilities in Syngenta AG                   | Principal activities outside Syngenta AG                                                                                                                                     |
|--------------------------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Jianxin Ren                    | Chairman, Non-Executive Director                  | China National Chemical Corporation (Chairman of the Board), Pirelli (Chairman of the Board)                                                                                 |
| Gunnar Brock                   | Non-Executive Director, Independent Director      | Mölnlycke Health Care (Chairman of the Board), Investor AB (Non-Executive Director), Patricia Industries (Non-Executive Director) and Stena AB (Non-Executive Director)      |
| Hongbo Chen                    | Non-Executive Director                            | China National Agrochemical Company Limited (Executive Director)                                                                                                             |
| Oliver T. de Clermont-Tonnerre | Non-Executive Director                            | China National Bluestar (Member of the Board), Elkem (Member of the Board), REC Solar (Member of the Board) and Nouvel Institut Franco-Chinois de Lyon (Member of the Board) |
| Dieter A. Gericke              | Non-Executive Director                            | Homburger AG (Partner and Member of the Board) and Gericke Holding AG, Regensburg (Member of the Board)                                                                      |
| Jürg Witmer                    | Non-Executive Director, Lead Independent Director | Givaudan Group (Chairman of the Board) and A. Menarini IFR Florence (Non-Executive Director)                                                                                 |

| <b>Name</b>     | <b>Responsibilities in Syngenta AG</b>          | <b>Principal activities outside Syngenta AG</b>                                                                                                                                                                                                                                                       |
|-----------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eveline Saupper | Non-Executive Director,<br>Independent Director | Flughafen Zürich AG (Non-Executive Director), Georg Fischer AG (Non-Executive Director), Clariant AG (Non-Executive Director), Mentex Holding AG (Chairman of the Board), hkp group AG (Non-Executive Director), Stäubli Holding AG (Non-Executive Director) and Hoval Group (Non-Executive Director) |
| Carl M. Casale  | Non-Executive Director,<br>Independent Director | CHS Inc. (Chief Executive Officer), Ecolab (Non-Executive Director). Casale AG LLC (Owner), provides advisory services to private equity and venture capital Firms                                                                                                                                    |

The members of the Executive Team are as follows:

| <b>Name</b>     | <b>Function</b>                                           |
|-----------------|-----------------------------------------------------------|
| J. Erik Fyrwald | Chief Executive Officer (CEO)                             |
| Christoph Mäder | Head Legal & Taxes and Company Secretary                  |
| Jonathan Parr   | President Global Crop Protection and EAME, LATAM and APAC |
| Mark Patrick    | Chief Financial Officer (CFO)                             |
| Jeff Rowe       | President Global Seeds and North America                  |
| Laure Roberts   | Head Human Resources                                      |

The business address of each member of the Board is at Schwarzwaldallee 215, 4058 Basel, Switzerland.

There are no potential conflicts of interest between the duties to Syngenta AG of each of the members of the Board listed above and their private interests or other duties. In addition, Jürg Witmer, Gunnar Brock, Eveline Saupper and Carl M. Casale are all independent from ChemChina and its affiliated companies. Jianxin Ren, Hongbo Chen, Oliver T. de Clermont-Tonnerre and Dieter A. Gericke were nominated for election by ChemChina.

## THE ISSUER

Syngenta Finance is a wholly owned subsidiary of Syngenta Treasury N.V., a public company with limited liability incorporated under the laws of The Netherlands and registered with the trade register of the Chamber of Commerce under number 37131821, which is a wholly owned subsidiary of Syngenta Participations AG, which is itself a wholly owned subsidiary of Syngenta AG. Syngenta Finance was incorporated as a public company with limited liability (*naamloze vennootschap*) under the laws of The Netherlands on March 20, 2007. The Issuer is a financing vehicle for Syngenta AG. The Issuer has no independent operations, other than borrowing, lending and raising funds, the proceeds of which are generally used to finance one or more of the Syngenta AG subsidiaries.

Syngenta Finance has been incorporated for an unlimited period of time and it is registered with the trade register of the Chamber of Commerce under number 37131823. The head office of the Chamber of Commerce is located at Kroonstraat 50, 3511 RC Utrecht, The Netherlands. The corporate seat of the Issuer is in Amsterdam. The registered office of the Issuer is located at Westeinde 62, 1601 BK Enkhuizen, The Netherlands and its telephone number is +31 228 366411.

The authorized share capital of Syngenta Finance amounts to €225,000. It is divided into 225,000 shares of €1 each. The issued and fully paid-up share capital of the Issuer amounts to €45,000. The Issuer has not made any dividend payments during the last five years.

Syngenta Finance is managed by a managing board. The following individuals are acting as managing directors:

| Name               | Responsibilities in Syngenta Finance | Principal activities outside Syngenta Finance                                                     |
|--------------------|--------------------------------------|---------------------------------------------------------------------------------------------------|
| James Halliwell    | Managing Director                    | Head Group Finance and Treasury and acting as director in other Syngenta Group companies          |
| René Röthlisberger | Managing Director                    | Head Group Taxation and acting as director in other Syngenta Group companies                      |
| Tobias Meili       | Managing Director                    | Head Corporate Legal Affairs and acting as director in other Syngenta Group companies             |
| Richard Peletier   | Managing Director                    | Head of Finance Services Benelux/Nordics and acting as director in other Syngenta Group companies |
| Laurens Veldhuizen | Managing Director                    | Legal Counsel and acting as director in other Syngenta Group companies                            |
| Detlev Hueting     | Managing Director                    | Compliance Manager Benelux/Nordics and acting as director in other Syngenta Group companies       |

The business address of each of James Halliwell, René Röthlisberger, and Tobias Meili is at Schwarzwaldallee 215, CH-4058 Basel, Switzerland. The business address of each of Richard Peletier, Laurens Veldhuizen and Detlev Hueting is at Westeinde 62, 1601 BK Enkhuizen, The Netherlands. There are no conflicts of interest or potential conflicts of interests between the duties to Syngenta Finance of each of the members of Syngenta Finance's managing board listed above and their private interests or other duties.

See "Incorporation by Reference" for information on the financial statements of the Issuer incorporated by reference into this Offering Memorandum.

## DESCRIPTION OF THE NOTES AND GUARANTEES

*The following summary of certain provisions of the Notes, the related Guarantees and the Indenture does not purport to be complete and is qualified in its entirety by reference to the actual provisions of the Notes, the related Guarantees and the Indenture. Certain terms used but not defined herein shall have the meanings given to them in the Indenture, the Notes or the related Guarantees, as the case may be.*

### General

We are offering \$750 million 3.698% senior notes due 2020 (the “2020 Notes”), \$750 million 3.933% senior notes due 2021 (the “2021 Notes”), \$1.0 billion 4.441% senior notes due 2023 (the “2023 Notes”), \$750 million 4.892% senior notes due 2025 (the “2025 Notes”), \$1.0 billion 5.182% senior notes due 2028 (the “2028 Notes”) and \$500 million 5.676% senior notes due 2048 (the “2048 Notes” and, together with the 2020 Notes, the 2021 Notes, the 2023 Notes, the 2025 Notes and the 2028 Notes, the “Notes”). The Notes will be issued and treated as six separate series of debt securities under an Indenture, to be dated on or about April 24, 2018, as supplemented by a supplemental indenture for each series of Notes (the “Indenture”). The Indenture will be entered into by the Issuer, the Guarantor, The Bank of New York Mellon, London Branch, as Trustee, Principal Paying Agent and Calculation Agent, and The Bank of New York Mellon, as U.S. Paying Agent, Transfer Agent and Registrar. The Indenture is not required to be nor will it be qualified under or subject to the U.S. Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), and will not incorporate by reference or otherwise be subject to any of the provisions of the Trust Indenture Act. Consequently, the holders of the Notes generally will not be entitled to the protections provided under the Trust Indenture Act to holders of notes issued under a qualified indenture. Copies of the form of the Indenture are available upon request to the Issuer. The Issuer and the Guarantor have agreed that they will be subject to the jurisdiction of any U.S. federal or state court in the borough of Manhattan, New York in respect of any legal proceeding relating to the Notes or the Indenture.

The Bank of New York Mellon, London Branch, will act as the Trustee under the Indenture.

The Notes and any future debt securities issued under the Indenture will be senior unsecured obligations of the Issuer and will rank equally with all of the Issuer’s other unsecured and unsubordinated indebtedness outstanding from time to time. The Notes will be issued in registered form. The Notes will be repaid at 100% of aggregate principal amount upon the relevant Maturity Date unless redeemed or repurchased prior to such date.

### Notes

The Notes will bear interest per annum, payable semi-annually, in arrears, on April 24 and October 24 of each year, beginning on October 24, 2018, and have Maturity Dates, each as set forth below:

| Series of Notes | Interest rate per annum | Maturity date  |
|-----------------|-------------------------|----------------|
| 2020 Notes..... | 3.698%                  | April 24, 2020 |
| 2021 Notes..... | 3.933%                  | April 23, 2021 |
| 2023 Notes..... | 4.441%                  | April 24, 2023 |
| 2025 Notes..... | 4.892%                  | April 24, 2025 |
| 2028 Notes..... | 5.182%                  | April 24, 2028 |
| 2048 Notes..... | 5.676%                  | April 24, 2048 |

Interest will be payable to the person in whose name any Note is registered at the close of business on the fifteenth calendar day (whether or not a business day) prior to the applicable interest payment date, except that interest payable at maturity shall be paid to the same person to whom principal of the Notes is payable. Interest will be computed on the Notes on the basis of a 360-day year of twelve 30-day months.

Any payment otherwise required to be made in respect of the Notes on a date that is not a business day may be made on the next succeeding business day with the same force and effect as if made on that date. No additional interest will accrue as a result of a delayed payment. A business day is defined in the Indenture as a day other than a Saturday, Sunday or other day on which banking institutions in New York City, London, United Kingdom or any other city in which the paying agent is being utilized, are authorized or required by law or executive order to close.

## ***Guarantees***

The Guarantor will fully and unconditionally guarantee the due and punctual payment of the principal of, interest on and additional amounts with respect to the Notes and all other amounts under the Indenture when and as they become due and payable, whether at maturity or otherwise. The Guarantees of the Notes will be a senior obligation of the Guarantor, and will rank equally with all of the Guarantor's other unsecured senior obligations. The Guarantees of the Notes will be structurally subordinated to all other liabilities of the Issuer and all liabilities of the Guarantor's other subsidiaries, including trade payables. The Guarantor's right to receive any assets of any of its subsidiaries, as an equity holder of such subsidiaries, upon their liquidation or reorganization, and therefore the right of the holders of the Notes to participate in those assets through the Guarantees, will be effectively subordinated to the claims of that subsidiary's creditors (unless the Guarantor or the Issuer are themselves considered creditors of such subsidiary). At December 31, 2017, the Guarantor had approximately \$3.93 billion of indebtedness outstanding on a consolidated basis.

The Issuer is a 100% owned indirect finance subsidiary of the Guarantor and the Guarantor fully and unconditionally guarantees the Notes issued by the Issuer as to payment of principal, premium, if any, interest and any other amounts due. None of ChemChina, any of its subsidiaries nor any other subsidiary of the Guarantor guarantees such Notes. Subject to certain Dutch law restrictions on payment of dividends, among other things, and potential negative tax consequences in Switzerland (as set forth under "Use of Proceeds"), we are not aware of any significant restrictions on the ability of the Guarantor to obtain funds from the Issuer or its other subsidiaries by dividend or loan, or any legal or economic restrictions on the ability of the Issuer or the Guarantor's other subsidiaries to transfer funds to the Guarantor in the form of cash dividends, loans or advances, *provided, however*, that the possibility of a Swiss corporation paying dividends and making upstream loans is subject to general legal restrictions. There is no assurance that in the future additional restrictions will not be adopted.

## ***Further Issuances***

The Indenture will not limit the aggregate principal amount of debt securities that may be issued thereunder and will provide that debt securities may be issued thereunder from time to time in one or more additional series. The Indenture will not limit the ability of the Issuer to incur additional indebtedness or the ability of the Guarantor to incur additional indebtedness or to issue additional guarantees.

The Issuer may from time to time, without notice to or the consent of the holders of any series of Notes, issue additional notes having the same ranking, interest rate, maturity and other terms as the Notes of the relevant series (other than the issue date, issue price and initial interest payment date). Any additional notes may be consolidated with the applicable series of Notes offered by this Offering Memorandum and may form a single series of notes under the Indenture with such Notes; *provided* that any additional notes that have the same CUSIP, ISIN, or other identifying number of the applicable outstanding Notes offered hereunder must be fungible with such outstanding Notes of the relevant series for U.S. federal income tax purposes.

## **Optional Redemption**

The Issuer may redeem the Notes of any series at the Issuer's option in whole at any time or in part from time to time. The applicable redemption prices are as follows:

- upon redemption at any time, in respect of the 2020 Notes and the 2021 Notes and in respect of all other series of Notes, at any time prior to the applicable Par Call Date (as defined below) at a redemption price equal to the greater of (1) 100% of the principal amount of the Notes of the series being redeemed, and (2) as determined by the Quotation Agent (defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the Notes of the series being redeemed (not including any portion of any payments of interest accrued to the redemption date), assuming such Notes are redeemed on the applicable Par Call Date in the case of the Notes other than the 2020 Notes and the 2021 Notes, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (defined below), plus in the case of each respective series of Notes as follows:

2020 Notes:

20 basis points

|             |                 |
|-------------|-----------------|
| 2021 Notes: | 25 basis points |
| 2023 Notes: | 30 basis points |
| 2025 Notes: | 35 basis points |
| 2028 Notes: | 40 basis points |
| 2048 Notes: | 40 basis points |

plus accrued and unpaid interest on the Notes of the series being redeemed to, but excluding, the redemption date and any additional amounts; or

- upon redemption of the 2023 Notes, the 2025 Notes, the 2028 Notes or the 2048 Notes on or after the applicable Par Call Date, the Issuer will pay a redemption price equal to 100% of the principal amount of the Notes of the series to be redeemed plus accrued and unpaid interest on the Notes of the series being redeemed to, but excluding, the redemption date and any additional amounts.

The Quotation Agent will deliver its calculation per \$1,000 in aggregate principal amount of Notes in writing to the Issuer, the Trustee and Paying Agent no later than three business days prior to any payment date. Notwithstanding the foregoing, installments of interest on Notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to such Notes and the Indenture.

“Comparable Treasury Issue” means the U.S. Treasury security or securities selected by the Reference Treasury Dealer as having a maturity (or interpolated maturity) comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of the Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Trustee obtains fewer than three Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations.

“Par Call Date” means (i) with respect to any 2023 Notes, March 24, 2023 (one month prior to the Maturity Date of the 2023 Notes), (ii) with respect to any 2025 Notes, February 24, 2025 (two months prior to the Maturity Date of the 2025 Notes), (iii) with respect to any 2028 Notes, January 24, 2028 (three months prior to the Maturity Date of the 2028 Notes) and (iv) with respect to any 2048 Notes, October 24, 2047 (six months prior to the Maturity Date of the 2048 Notes).

“Quotation Agent” means any Reference Treasury Dealer appointed by us.

“Reference Treasury Dealer” means (i) BNP Paribas Securities Corp., Citigroup Global Markets Inc. and HSBC Securities (USA) Inc. (or their respective affiliates which are Primary Treasury Dealers (defined below)) and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Guarantor will substitute another Primary Treasury Dealer; (ii) a Primary Treasury Dealer selected by MUFG Securities Americas Inc.; (iii) a Primary Treasury Dealer selected by Santander Investment Securities Inc.; and (iv) three Primary Treasury Dealers selected by the Guarantor.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by that Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding that redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable

Treasury Price for that redemption date. Holders of Notes to be redeemed will receive notice by first-class mail at least 30 days but not more than 60 days before the date of redemption.

If fewer than all of the Notes are to be redeemed, DTC, in the case of Notes represented by a global security, or the Trustee in the case of Notes that are not represented by a global security, will select, not more than 60 days prior to the redemption date, the particular Notes or portions thereof for redemption from the outstanding Notes not previously called by such method as DTC or the Trustee as certified to it by the Issuer, as the case may be, deems fair and appropriate. Unless there is a default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the Notes or portions thereof called for redemption.

### **Offer to Repurchase Upon Change of Control Triggering Event**

Upon the occurrence of a Change of Control Triggering Event (defined below) in respect of a series of Notes, unless the Issuer has exercised its right to redeem the series of Notes as described under “—Optional Redemption,” each holder of the applicable Notes will have the right to require the Issuer to purchase all or a portion of such holder’s Notes of that series, at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase, subject to the rights of holders to receive interest due on the scheduled interest payment dates.

Within 30 days following the date upon which the Change of Control Triggering Event occurs or, at the Issuer’s option, prior thereto but after the public announcement of the pending Change of Control (defined below), the Issuer will send, by first class mail, a notice to each holder of the Notes of that series setting forth its offer to purchase the series of Notes, specifying the purchase date, which will be no earlier than 30 days nor later than 60 days from the date the notice is mailed, unless otherwise required by law. If mailed prior to the date of the Change of Control, the notice will state that the offer is subject to completion of the Change of Control. Holders electing to sell their Notes will be required to surrender their Notes in accordance with the offer, to the paying agent at the address to be specified in the notice, or transfer their Notes to the paying agent by book-entry transfer, prior to the close of business on the third business day prior to the payment date.

The Issuer will not be required to make a Change of Control offer in respect of the series of Notes if (i) a third party makes such an offer in the manner and at the times referred to above and otherwise in compliance with the requirements referred to above, and such third-party purchases all Notes properly tendered and not withdrawn under its offer or (ii) a notice of redemption for all outstanding Notes of such series has been given pursuant to the Indenture as described above under the caption “—Optional Redemption,” unless and until there is a default in payment of the applicable redemption price.

“Change of Control” means any of the following:

- the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Guarantor and its subsidiaries to any “person” (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934), *provided, however*, that no Change of Control shall occur if such “person” is any person Controlled by the central government of the People’s Republic of China, including, without limitation, the State Administration of State-owned Assets Commission (each such person a “PRC Government Person”);
- any transaction (including any merger or consolidation) the result of which is that any “person” becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934), directly or indirectly, of more than 50% of the outstanding voting power of the Guarantor’s outstanding shares, *provided, however*, that no Change of Control shall occur if such “person” is a PRC Government Person;
- the Guarantor consolidates with, or merges with or into, any entity, or any entity consolidates with or merges with or into the Guarantor, unless following the transaction the Guarantor’s shareholders prior to the transaction own a majority of the voting power of the outstanding shares of the surviving entity; or
- the adoption of a plan for the Guarantor’s liquidation or dissolution.



“Change of Control Triggering Event” means, with respect to each series of Notes, the Notes of that series cease to be rated Investment Grade (defined below) by all three Rating Agencies (defined below) on any date during the period starting 60 days prior to our first public announcement of any Change of Control and ending 60 days following consummation of the Change of Control (subject to extension as long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change, other than an announcement with positive implications), and the Rating Agencies confirm that any reduction in ratings is attributable to the Change of Control. However, no Change of Control Triggering Event will be deemed to have occurred unless and until the Change of Control has been consummated. The Issuer shall be required to send written notice to the Trustee of any Change of Control Triggering Event.

“Control” means (i) the direct or indirect ownership or control of more than 50% of the voting rights of the issued share capital of a person or (ii) the nomination or designation of no less than 50% of the members then in office of a person’s board of directors or equivalent governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

“Fitch” means Fitch Inc., a subsidiary of Fimalac, S.A., and its successors.

“Investment Grade” means a rating of Baa3 or better by Moody’s (or its equivalent under any successor rating category of Moody’s); a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P); and a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch).

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Rating Agency” means each of Moody’s, S&P and Fitch; provided, that if any of Moody’s, S&P and Fitch ceases to provide rating services to issuers or investors for reasons outside of our control, the Guarantor may appoint another “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) under the Securities Exchange Act of 1934 as a replacement for such Rating Agency.

“S&P” means S&P Global Ratings and its successors.

### **Restrictions on Liens**

Under the Indenture, for so long as any Notes are outstanding under the Indenture, none of the Issuer, the Guarantor or any of the Guarantor’s Significant Subsidiaries (defined below) may create or have outstanding any lien upon the whole or any part of its assets, present or future (including any uncalled capital), in order to secure any existing or future relevant indebtedness (defined below) of the Issuer, the Guarantor or any of the Guarantor’s Significant Subsidiaries or to secure any guarantee or indemnity in respect thereof without in any such case at the same time securing the Notes equally and ratably with such relevant indebtedness (or any guarantee or indemnity in respect thereof). The restrictions on liens will not apply to:

- liens arising by operation of law; and
- liens on the assets of any person existing at the time such person is merged with or into or consolidated with the Guarantor.

For purposes of this restriction on liens covenant, the term “relevant indebtedness” means any indebtedness for borrowed money in the form of, or represented by, bonds (obligations), notes or other securities that, at the time of the issue, is being, is capable of being, or is intended to be quoted, listed or ordinarily dealt in on any stock exchange or other securities market. For the avoidance of doubt, indebtedness shall not include any payment obligation arising under any hedging or derivative instrument.

“Significant Subsidiaries” has the meaning given in Rule 1-02(w) of Regulation S-X.

### **Consolidation, Merger and Sale of Assets**

Under the Indenture, the Issuer or the Guarantor may, without the consent of the holders of any of the outstanding Notes, consolidate with or merge into any other corporation or sell, convey, transfer, lease or otherwise dispose of its assets substantially as an entirety to any person *provided* that:

- the successor is a corporation organized under any member country of the Organization for Economic Co-operation and Development;
- the successor corporation assumes its obligations under the Notes and the Indenture;
- after giving effect to the transaction no event of default, and no event which, after notice or lapse of time, would become an event of default, shall have occurred and be continuing; and
- other specified conditions are met.

### **Provision of Certain Information**

For so long as any Notes remain outstanding and during any period during which the Guarantor is not subject to Section 13 or Section 15(d) of the Exchange Act, the Guarantor will post on its website: (1) within 120 days of the end of each completed fiscal year, audited annual consolidated financial statements of the Guarantor (including a balance sheet as of the end of such period and a statement of income and statement of cash flows for the such period, in each case setting forth in comparative form corresponding consolidated figures from the immediately preceding corresponding period); and (2) within 90 days of the end of the first half of each fiscal year, unaudited condensed consolidated financial statements of the Guarantor in respect of such first half period (including a balance sheet as of the end of such period and a statement of income and statement of cash flows for such period, in each case setting forth in comparative form corresponding consolidated figures from the immediately preceding corresponding period); in each case, prepared in accordance with International Financial Reporting Standards or other generally accepted accounting principles as in effect at the date of the relevant statements.

### **Additional Amounts**

All payments by the Issuer or the Guarantor or any successor person to the Issuer or the Guarantor of principal of, and premium (if any) and interest on or in respect of the Notes or under the Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges imposed or levied by any jurisdiction in which the Issuer or the Guarantor, as the case may be, is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a “Relevant Taxing Jurisdiction”), or any jurisdiction through which the Issuer or the Guarantor makes payments (each, as applicable and together with the Relevant Taxing Jurisdiction, a “Relevant Jurisdiction”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer or the Guarantor, as the case may be, will pay such additional amounts (“Additional Amounts”) as will result in receipt by the holder of the relevant Note of such amounts as would have been received by such holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

- (1) for or on account of:
  - (a) any tax, duty, assessment or governmental charge that would not have been imposed but for:
    - (i) the existence of any present or former connection between the holder or beneficial owner of such Note and the Relevant Jurisdiction, other than merely holding such Note or the receipt of payments thereunder or under the guarantee, including, without limitation, such holder’s or beneficial owner’s being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a tax resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;
    - (ii) the presentation of such Note (where presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, or interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

- (iii) the failure of the holder or beneficial owner to comply with a request of the Issuer or the Guarantor, as the case may be, addressed to the holder, to provide information concerning such holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if compliance with such request is required under the tax laws of the Relevant Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such holder; or
  - (iv) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;
- (b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
- (c) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("FATCA"), any current or future Treasury Regulations or rulings promulgated thereunder, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement with respect thereto, or any agreement with the U.S. Internal Revenue Service under FATCA;
- (d) any U.S. taxes, duties, assessments or other governmental charges;
- (e) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a), (b), (c) or (d); or
- (2) to a holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that, under the laws of a Relevant Jurisdiction, such payment would be required to be included in the income for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the holder thereof.

### **Redemption for Taxation Reasons**

The Notes may be redeemed, at the option of the Issuer or a successor person to the Issuer, in whole but not in part, upon giving notice to the holders and the Trustee at least 30 days but not more than 60 days before the redemption date, at a redemption price equal to 100% of the principal amount thereof, together with any accrued and unpaid interest to the redemption date, if as a result of:

- (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or
- (2) any change in the existing official position or the stating of a Relevant Taxing Jurisdiction's position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective (or with respect to a Relevant Taxing Jurisdiction's position, is announced) on or after the date of issuance of the Notes (or in the case of a successor person that is not organized or tax resident in a jurisdiction that is a Relevant Taxing Jurisdiction on the date of such succession, on or after the date of succession), the Issuer or the Guarantor, as the case may be, is, or on the next interest payment date would be, required to pay Additional Amounts and such requirement cannot be avoided by the taking of reasonable measures by the Issuer or the Guarantor, as the case may be; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be required to pay Additional Amounts were a payment under or in respect of any Notes then due. Prior to the giving of any notice of redemption of any Notes, the Issuer or the Guarantor, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days before a redemption date an officers' certificate stating that a change, amendment or stating of a Relevant Taxing Jurisdiction's position referred to above has occurred and that the requirement to pay Additional Amounts cannot be avoided by taking reasonable measures available to the Issuer or the Guarantor, as

the case may be. The Trustee will accept such certificate as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the holders.

### Events of Default

An event of default in respect of any series of Notes means any of the following:

- the Issuer or the Guarantor does not pay the principal of or premium, if any, on the Notes of that series when due;
- the Issuer or the Guarantor does not pay interest on, or any additional amounts payable in respect of, the Notes of that series within 30 days of its due date;
- the Issuer or the Guarantor defaults in the performance, or breach, of any other of the covenants or warranties in the Indenture which continues for 60 days after notice to the Issuer and the Guarantor by the Trustee or notice to the Issuer, the Guarantor and the Trustee by holders of 25% in principal amount of the Notes of that series;
- (i) any indebtedness of the Issuer, the Guarantor or any of the Guarantor's Significant Subsidiaries maturing more than one year from the date of issue not being paid when due or within any originally applicable grace period; or (ii) any such indebtedness of the Issuer, the Guarantor and the Guarantor's Significant Subsidiaries becoming due and payable prior to its stated maturity by reason of an event of default; *provided* that the amount of indebtedness referred to in clauses (i) and/or (ii) above individually or in the aggregate exceeds \$125,000,000 (or its equivalent in any other currency or currencies);
- the Guarantees with respect to that series of Notes ceases to be, or is claimed by the Guarantor not to be, in full force and effect; and
- certain events of bankruptcy, insolvency or reorganization of the Issuer or the Guarantor.

If an event of default (other than with respect to certain events of bankruptcy, insolvency or reorganization) with respect to any series of the Notes occurs and is continuing, either the Trustee or the holders of 25% in principal amount of the outstanding Notes of that series may declare the principal amount of all Notes of that series to be due and payable immediately by a notice in writing to the Issuer and the Guarantor (and to the Trustee if given by the holders), but upon certain conditions such declaration may be annulled and past defaults may be waived by the holders of a majority in principal amount of the outstanding Notes of that series on behalf of the holders of all Notes of that series. An event of default relating to a bankruptcy, insolvency or reorganization will cause the outstanding Notes to become immediately due and payable without any declaration or other act by the Trustee or the holders. The annulment and waiver may not be made with respect to a default in payment of principal of or premium, if any, or interest, if any, on the Notes of that series and certain other specified defaults, unless those defaults have been cured.

Within 90 days of written notice of a default with respect to any series of Notes then outstanding, the Trustee must give to the holders of the outstanding Notes of that series notice of any such default. However, except in the case of default in the payment of principal of or premium, if any, or interest on or any Additional Amounts with respect to any Note of that series, the Trustee may withhold the notice if it in good faith determines that it is in the best interest of the holders, and in the event of a breach of certain covenants or warranties in the Indenture, such notice will not be given until at least 30 days after the occurrence of such default with respect to outstanding Notes of such series.

Before the Trustee is required to exercise rights under the Indenture at the request of holders, it is entitled to be indemnified and/or secured (including by way of prefunding) by such holders to its satisfaction.

The Issuer and the Guarantor must file annual certificates with the Trustee that they are in compliance with conditions and covenants under the Indenture.

The Indenture provides that the holders of a majority in principal amount of outstanding Notes of any series may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or

exercising any trust or other power conferred on the Trustee, in respect of such series, *provided* that the Trustee may decline to act if such direction is contrary to law or the Indenture or would expose it to personal liability.

### **Defeasance**

The Notes will be subject to legal defeasance and covenant defeasance as set forth in the Indenture. The Indenture will include provisions allowing defeasance of the Notes of any series issued thereunder. In order to defease Notes, the Issuer would deposit with the Trustee or an entity designated (as agent) by the Trustee for such purposes money or U.S. government obligations sufficient to make all payments on those Notes. If the Issuer makes a defeasance deposit with respect to your Notes, it may elect either:

- legal defeasance—to be discharged from all of its obligations on your Notes, except for its obligations to register transfers and exchanges, to replace temporary or mutilated, destroyed, lost or stolen Notes, to maintain an office or agency in respect of the Notes and to hold moneys for payment in trust; or
- covenant defeasance—to be released from the restrictions described herein relating to consolidation, mergers and sale of assets and liens.

As a condition to legal defeasance, the Issuer must deliver to the Trustee either an opinion of its counsel which is based on a change in applicable U.S. federal income tax law occurring after the date hereof, or a ruling received from the U.S. Internal Revenue Service, in each case to the effect that the beneficial owners of the applicable series of Notes will not recognize gain or loss for U.S. federal income tax purposes as a result of the defeasance and will be subject to U.S. federal income tax on the same amount, in the same manner and at the same times as would have been the case if the defeasance had not occurred. Additionally, the legal defeasance described above shall only be effective if, among other things, no event of default arising from specified events of bankruptcy, insolvency, or reorganization with respect to the Issuer or the Guarantor or default which with notice or lapse of time or both would become such an event of default shall have occurred and be continuing during the period ending on the 91st day after the date of the deposit into trust or, if longer, ending on the day following the expiration of the longest preference period applicable to the Issuer in respect of such deposit.

### **Modification of the Indenture and Waiver of Covenants**

The Issuer and the Guarantor may execute supplemental indentures adding any provisions to, or changing or eliminating any of, the provisions of the Indenture modifying the rights of the holders of a series of Notes outstanding thereunder if it obtains the consent of the holders of a majority in principal amount of the outstanding Notes of that series affected by the addition, change or elimination, except that no supplemental indenture may, without the consent of the holder of each outstanding Note of the applicable series affected by the supplemental indenture:

- change the stated maturity or interest payment dates or any Additional Amounts, or reduce the principal amount, the premium, if any, thereon or the rate of payment of interest thereon, of any Note of such series;
- reduce the aforesaid percentage of outstanding Notes of such series, the consent of the holders of which is required for any supplemental indenture or for waiver of compliance with certain provisions of the Indenture or certain defaults thereunder;
- change any place where, or the currency in which, any Notes of such series are payable; or
- effect certain other specified changes.

The Issuer or the Guarantor may also omit compliance with specified covenants in the Indenture with respect to a series of Notes upon waiver by holders of a majority in principal amount of outstanding Notes of such series affected by such covenants.

The Indenture will provide provisions permitting the Issuer, the Guarantor and the Trustee, without the consent of the holders of any of the Notes, at any time and from time to time, to enter into one or more indentures supplemental to the Indenture:

- to evidence the succession of another person to the Issuer or the Guarantor and the assumption by any such successor of the covenants of the Issuer or the Guarantor, as the case may be, in the Indenture and in the Notes;
- to add to the covenants of the Issuer or the Guarantor for the benefit of the holders of all or any series of the Notes (and, if such covenants are to be for the benefit of less than all series of the Notes, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Issuer or the Guarantor;
- to add any additional events of default with respect to all or any series of the Notes;
- to add to or change any of the provisions of the Indenture to such extent as shall be necessary to permit or facilitate the issuance of the Notes in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of the Notes in uncertificated form or in the form of book-entry securities;
- to add to, change or eliminate any of the provisions of the Indenture in respect of one or more series of notes, *provided* that any such addition, change or elimination (i) shall neither (A) apply to any note of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the holder of any such note with respect to such provision or (ii) shall become effective only when there is no such note outstanding;
- to secure the Notes;
- to evidence and provide for the acceptance of appointment under the Indenture by a successor trustee with respect to the Notes of one or more series and to add to or change any of the provisions of the Indenture as shall be necessary to provide for or facilitate the administration of the trusts under the Indenture by more than one trustee, pursuant to the requirements of the Indenture;
- if allowed, without penalty under applicable laws and regulations, to permit payment in the United States (including any of the States thereof and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction of principal, premium, if any, or interest, if any, on Notes in bearer form or coupons, if any;
- to cure any ambiguity or to correct or supplement any provision in the Indenture which may be defective or inconsistent with any other provision therein; or
- to make any other change with respect to matters or questions arising under the Indenture which, in the opinion of counsel to the Issuer or the Guarantor, does not materially adversely affect the interests of the holders of the series of Notes affected thereby.

### **Concerning the Trustee**

The Bank of New York Mellon, London Branch, will be the Trustee under the Indenture. The Bank of New York Mellon, London Branch, also acts as a trustee in the \$7.5 billion Euro Medium Term Note Program pursuant to which the Issuer and Syngenta Finance AG are issuers and Syngenta AG is Guarantor, and as depository under the Guarantor's American Depositary Receipt program.

The Issuer by written notice to the Trustee can remove the Trustee of any series of Notes as long as there is no event of default and no event that, upon notice or lapse of time or both, would become an event of default in respect of that series. The holders of a majority of the principal amount of a series of Notes may also remove the Trustee under the Indenture with respect to such series of Notes at any time. The Indenture prescribes procedures by which the Trustee will be replaced, in the event of its removal.

## Interest Rate Adjustment

The interest rate payable on the Notes of each series will be subject to adjustments from time to time if any of Moody's, S&P or Fitch or, in any case, any substitute Rating Agency thereof, downgrades (or subsequently upgrades) the debt rating assigned to the Notes, in the manner described below.

If the rating of the Notes of a series from any one or more of the Rating Agencies (or, in any case, a substitute Rating Agency thereof) is a rating set forth in any of the immediately following tables, the interest rate on the Notes of that series will increase from the interest rate payable on the Notes of that series on the date of their issuance by an amount equal to the sum of the applicable percentages set forth in the following tables opposite those ratings:

| <b>Moody's Rating(1)</b> | <b>Percentage</b> |
|--------------------------|-------------------|
| Ba3                      | 0.25%             |
| B1                       | 0.50%             |
| B2                       | 0.75%             |
| B3 or below              | 1.00%             |

(1) Including the equivalent ratings of any substitute Rating Agency.

| <b>S&amp;P Rating(1)</b> | <b>Percentage</b> |
|--------------------------|-------------------|
| BB+                      | 0.25%             |
| BB                       | 0.50%             |
| BB-                      | 0.75%             |
| B+ or below              | 1.00%             |

(1) Including the equivalent ratings of any substitute Rating Agency.

| <b>Fitch Rating(1)</b> | <b>Percentage</b> |
|------------------------|-------------------|
| BB+                    | 0.25%             |
| BB                     | 0.50%             |
| BB-                    | 0.75%             |
| B+ or below            | 1.00%             |

(1) Including the equivalent ratings of any substitute Rating Agency.

If at any time the interest rate on the Notes of a series has been adjusted upward and any of Moody's, S&P or Fitch (or, in any case, a substitute Rating Agency thereof), as the case may be, subsequently increases its rating of the Notes of that series to any of the threshold ratings set forth in the relevant table or tables above, the interest rate on the Notes of that series will be decreased such that the interest rate for the Notes of that series equals the interest rate payable on the Notes of that series on the date of their issuance plus the percentages set forth opposite the applicable ratings from the relevant table or tables above in effect immediately following the increase. If Moody's, S&P or Fitch (or, in any case, a substitute Rating Agency thereof) subsequently increase the rating of the Notes of a series to Ba2, BBB- and BBB-, respectively (or the equivalent of such ratings, in the case of a substitute Rating Agency), or higher, the interest rate on the Notes of that series will be decreased to the interest rate payable on the Notes of that series on the date of their issuance plus (if applicable) the percentages set forth opposite the applicable ratings from the relevant table or tables above in effect immediately following the increase. In addition, the interest rate on the Notes of a series will permanently cease to be subject to any adjustment described above (notwithstanding any subsequent decrease in the ratings by any of the Rating Agencies) if the Notes of that series become rated Baa1, BBB+ and BBB+ (or the equivalent of such ratings, in the case of a substitute Rating Agency) or higher by Moody's, S&P and Fitch (or, in any case, a substitute Rating Agency thereof), respectively (or two of these ratings if the Notes are only rated by two Rating Agencies or one of these ratings if the Notes are only rated by one Rating Agency).

Each adjustment required by any decrease or increase in a rating set forth above, whether occasioned by the action of Moody's, S&P or Fitch (or, in any case, a substitute Rating Agency thereof), shall be made independent of any and all other adjustments. In no event shall (1) the interest rate for the Notes of a series be reduced to below the interest rate payable on the Notes of that series on the date of the initial issuance of Notes of such series or (2) the total increase in the interest rate on the Notes of a series exceed 2.00% above the interest rate payable on the Notes of that series on the date of the initial issuance of Notes of such series.

No adjustments in the interest rate of the Notes of a series shall be made solely as a result of a Rating Agency ceasing to provide a rating of such series of Notes. If at any time fewer than three Rating Agencies provide a rating of the Notes of a series for a reason beyond the Guarantor's control, the Guarantor will use its commercially reasonable efforts to obtain a rating of such series of Notes from a substitute Rating Agency, to the extent one exists (as determined by us in good faith), and if a substitute Rating Agency so exists, for purposes of determining any increase or decrease in the interest rate on the Notes of a series pursuant to the tables above (a) such substitute Rating Agency will be substituted for the last Rating Agency to provide a rating of such series of Notes but which has since ceased to provide such rating, (b) the relative rating scale used by such substitute Rating Agency to assign ratings to senior unsecured debt will be determined in good faith by an independent investment banking institution of national standing appointed by us and, for purposes of determining the applicable ratings included in the applicable table above with respect to such substitute Rating Agency, such ratings will be deemed to be the equivalent ratings used by Moody's, S&P or Fitch, as applicable, in such table and (c) the interest rate on the Notes of such series will increase or decrease, as the case may be, such that the interest rate equals the interest rate payable on the Notes of such series on the date of the initial issuance of Notes of such series plus the appropriate percentage, if any, set forth opposite the rating from such substitute Rating Agency in the applicable table above (taking into account the provisions of clause (b) above) (plus any applicable percentage resulting from the rating by any other Rating Agency).

For purposes of this interest rate adjustment provision, references to ratings include only those ratings on the Notes provided by Rating Agencies solicited by the Guarantor. Nothing shall prevent the Guarantor from discontinuing any rating on the Notes. The rating ascribed by any Rating Agency that ceases to rate a series of the Notes (or that publishes a rating on a series of Notes on an unsolicited basis) shall be disregarded for purposes of the adjustments to interest rate set forth above from the time of such cessation, and the terms of the following paragraph shall apply.

For so long as only two Rating Agencies provide a rating of the Notes of a series, any subsequent increase or decrease in the interest rate of such series of Notes necessitated by a reduction or increase in the ratings by the two Rating Agencies providing the rating shall increase or decrease, as applicable, by 1.5 multiplied by the sum of the appropriate percentages set forth next to each of such ratings. For so long as only one Rating Agency provides a rating of the Notes of a series, any subsequent increase or decrease in the interest rate of such series of Notes necessitated by a reduction or increase in the rating by the agency providing the rating shall increase or decrease, as applicable, by 3 multiplied by the appropriate percentage set forth next to such rating. For so long as none of Moody's, S&P, Fitch or a substitute Rating Agency provides a rating of the Notes of a series, the interest rate on the Notes of such series will increase to, or remain at, as the case may be, 2.00% above the interest rate payable on the Notes of such series on the date of the initial issuance of Notes of such series.

Any interest rate increase or decrease described above will take effect from the first day of the interest period during which a rating change requires an adjustment in the interest rate subject to the required Trustee notification period described below. In the event notice of an interest rate increase or decrease is received by the Trustee less than thirty (30) business days prior to an interest payment date, the required adjustment will become effective at the beginning of the next interest rate period. If Moody's, S&P or Fitch (or, in any case, a substitute Rating Agency thereof) changes its rating of the Notes of a series more than once during any particular interest period, the last change by such agency will control for purposes of any interest rate increase or decrease with respect to the Notes of such series described above relating to such Rating Agency's action. The Issuer shall promptly give notice to the Trustee upon the occurrence of any rating adjustment as described herein in accordance with "—Notices" below, but in no event later than ten (10) business days thereafter and at least thirty (30) business days prior to any interest payment date.

If the interest rate payable on the Notes is increased as described above the term "interest," as used with respect to the Notes, will be deemed to include any such additional interest unless the context otherwise requires.



None of the Trustee or the Paying Agent will have any duty or obligation to monitor the rating of the Notes and the Issuer will inform the holders of all or any series of Notes (with a copy to the Trustee and the Paying Agent) of any interest rate adjustment pursuant to this section. See also “—Notices” below.

### **Prescription**

Under New York’s statute of limitations, any legal action upon the Notes in respect of interest or principal must be commenced within six years after the payment thereof is due.

### **Notices**

All notices to the holders (while any Notes are represented by one or more global notes) shall be delivered to the depositary, as applicable, for communication to entitled account holders. So long as the Notes are listed on the Luxembourg Stock Exchange and traded on the regulated market of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, all notices to holders will also be published in the Luxemburger Wort or in another daily newspaper published in Luxembourg approved by the Trustee or on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>).

### **Governing Law**

The Indenture, the Notes and the Guarantees shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflict of laws thereof.

## CLEARANCE AND SETTLEMENT

The Notes of each series will be issued in the form of global notes that will be deposited with DTC on the closing date. This means that we will not issue certificates to each holder. We will issue one or more global notes for each series of the Notes to DTC, and DTC will keep a computerized record of its participants (for example, your broker) whose clients have purchased such Notes. The participant will then keep a record of its clients who purchased the Notes. Unless it is exchanged in whole or in part for a certificated note, a global note may not be transferred; except that DTC, its nominees, and their successors may transfer a global note as a whole to one another.

Beneficial interests in a global note will be shown on, and transfers of that global note will be made only through, records maintained by DTC and its direct and indirect participants (including Euroclear and Clearstream, Luxembourg).

### Transfers

Transfers between participants in DTC will be effected in accordance with DTC rules and will be settled in immediately available funds. If a holder requires physical delivery of the Notes in definitive form for any reason, including to sell Notes to persons in jurisdictions that require physical delivery of securities or to pledge such Notes, such holder must transfer its interests in the global notes in accordance with the normal procedures of DTC and in accordance with the procedures set out in the Indenture.

The global notes will have a legend to the effect set out under “Notice to Investors and Transfer Restrictions.” Book-entry interests in the global notes will be subject to the restrictions on transfers and certification requirements discussed under “Notice to Investors and Transfer Restrictions.”

Through and including the 40th day after the later of the commencement of the offering of the Notes and the closing of the offering (the “Distribution Compliance Period”), beneficial interests in a Regulation S global note may be transferred to a person who takes delivery in the form of an interest in a Rule 144A global note only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Trustee, Transfer Agent and Registrar a certificate (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “Notice to Investors and Transfer Restrictions” and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

After the expiration of the Distribution Compliance Period, beneficial interests in a Regulation S global note may be transferred to a person who takes delivery in the form of a beneficial interest in a Rule 144A global note without compliance with these certification requirements.

Beneficial interests in a Rule 144A global note may be transferred to a person who takes delivery in the form of a beneficial interest in a Regulation S global note only upon receipt by the Trustee, Transfer Agent and Registrar of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act (if available).

In connection with transfers involving an exchange of a Regulation S book-entry interest for a Rule 144A book-entry interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S global note and a corresponding increase in the principal amount of the Rule 144A global note.

Any book-entry interest in one of the global notes that is transferred to a person who takes delivery in the form of a book-entry interest in any other global note will, upon transfer, cease to be a book-entry interest in the first mentioned global note and become a book-entry interest in such other global note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other global note for as long as it remains such a book-entry interest.

## Information Concerning DTC

The following information concerning DTC has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

DTC has advised us as follows:

- DTC is:
  - a limited purpose trust company organized under the laws of the State of New York;
  - a “banking organization” within the meaning of New York Banking Law;
  - a member of the Federal Reserve System;
  - a “clearing corporation” within the meaning of the New York Uniform Commercial Code; and
  - a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act.
- DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes to accounts of its participants. This eliminates the need for physical movement of certificates.
- Participants in DTC include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. DTC is partially owned by some of these participants or their representatives.
- Indirect access to the DTC system is also available to banks, brokers, dealers and trust companies that have relationships with participants.
- The rules applicable to DTC and DTC participants are on file with the SEC.

We will wire principal and interest payments to DTC’s nominee. We, the Trustee, the Transfer Agent, the Paying Agent and the Registrar will treat DTC’s nominee as the owner of each global note for all purposes. Accordingly, we, the Trustee and any paying agent will have no direct responsibility or liability to pay amounts due on the global notes to owners of beneficial interests in those global notes.

It is DTC’s current practice, upon receipt of any payment of principal or interest, to credit direct participants’ accounts on the payment date according to their respective holdings of beneficial interests in the global notes as shown on DTC’s records. In addition, it is DTC’s current practice to assign any consenting or voting rights to direct participants whose accounts are credited with Notes on a record date, by using an omnibus proxy. Payments by direct participants to owners of beneficial interests in the global notes, and voting by direct participants, will be governed by the customary practices between the direct participants and owners of beneficial interests, as is the case with Notes held for the account of customers registered in “street name.” However, payments to the owners of beneficial interests in the Notes will be the responsibility of the participants and not of DTC, the Trustee, the Transfer Agent, the Paying Agent, the Registrar or us.

Notes represented by a global note will be exchangeable for certificated Notes with the same terms in authorized denominations only if:

- DTC notifies us that it is unwilling or unable to continue as depository or if DTC ceases to be a clearing agency registered under applicable law and a successor depository is not appointed by us within 90 days of receiving such notice from DTC; or
- we determine not to require all of the Notes to be represented by a global note and notify the Trustee and Registrar of our decision.

Settlement for the Notes will be made by the Initial Purchasers in immediately available funds. All payments of principal and interest will be made in immediately available funds, except as otherwise indicated in this section.

## TAXATION

### Taxation in the Netherlands

The following is intended as general information only and it does not seek to present any comprehensive or complete description of all aspects of Dutch tax law that could be of relevance to a holder of Notes. For Dutch tax purposes, a holder of Notes may include an individual or entity who does not have legal title to the Notes, but to whom the Notes are nevertheless attributed based either on such individual or entity owning a beneficial interest in the Notes or based on specific statutory provisions, including statutory provisions pursuant to which the Notes are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Notes.

Prospective holders of Notes should therefore consult their tax advisers regarding the tax consequences of any acquisition, holding or disposal of the Notes.

The following summary is based on the Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, “Dutch Taxes” means taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities. The Netherlands means the part of the Kingdom of the Netherlands located in Europe.

#### ***Withholding Tax and Duties***

Any payments made under the Notes will not be subject to withholding or deduction for, or on account of, any Dutch Taxes.

No Dutch turnover taxes or taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, will be payable by or on behalf of a holder of Notes by reason only of the issue, acquisition or transfer of the Notes.

#### ***Taxes on Income and Capital Gains***

This section does not describe the possible Dutch tax considerations or consequences that may be relevant to a holder of Notes who is an individual and for whom the income or capital gains derived from the Notes are attributable to employment activities, the income from which is taxable in the Netherlands.

A holder of Notes will not be subject to any Dutch taxes on any payments made to the holder of Notes under the Notes or on any capital gain derived by the holder of Notes from the disposal, or deemed disposal, or redemption of, the Notes, unless:

- (i) the holder of Notes is, or is deemed to be, resident in the Netherlands for Dutch (corporate) income tax purposes;
- (ii) the holder of Notes derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands to which the Notes are attributable;
- (iii) the holder of Notes is an individual and has a substantial interest (*aanmerkelijk belang*), or a fictitious substantial interest (*fictief aanmerkelijk belang*), in Syngenta Finance which is not part of the assets of an enterprise or derives benefits from miscellaneous activities (*overige werkzaamheden*) carried out in the Netherlands in respect of the Notes, including (without limitation) activities which are beyond the scope of active portfolio investment activities;
- (iv) the holder of Notes is not an individual and has a substantial interest, or a fictitious substantial interest, in Syngenta Finance, which interest is held with the main purpose or one of the main purposes to avoid the

levy of Dutch individual income tax or Dutch dividend withholding tax at the level of another person and which is not put into place with valid commercial reasons that reflect economic reality;

- (v) the holder of Notes is not an individual and is entitled, other than by way of the holding of securities, to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable; or
- (vi) the holder of Notes is an individual and is entitled, other than by way of the holding of securities, to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Generally, a holder of Notes has a substantial interest (*aanmerkelijk belang*) if such holder of Notes, alone or together with his partner, directly or indirectly:

- (i) owns, or holds certain rights on, shares representing five percent or more of the total issued and outstanding capital of Syngenta Finance, or of the issued and outstanding capital of any class of shares of Syngenta Finance;
- (ii) holds rights to directly or indirectly acquire shares, whether or not already issued, representing, directly or indirectly, five percent or more of the total issued and outstanding capital of Syngenta Finance, or of the issued and outstanding capital of any class of shares of Syngenta Finance; or
- (iii) owns, or holds certain rights on, profit participating certificates that relate to five percent or more of the annual profit of Syngenta Finance or to five percent or more of the liquidation proceeds of Syngenta Finance.

A holder of Notes who owns shares of Syngenta Finance will also have a substantial interest if his partner or one of certain relatives of the holder of Notes or of his partner has a substantial interest.

For Dutch tax purposes, the ownership of the shares of Syngenta Finance is attributed to the holder of Notes based either on the holder of Notes owning a beneficial interest in the shares or based on specific statutory provisions, including statutory provisions pursuant to which shares are attributed to an individual who is, or who has directly or indirectly inherited from a person who was the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the shares, although the holder of Notes does not have the legal title of the shares.

Generally, a holder of Notes has a fictitious substantial interest (*fictief aanmerkelijk belang*) if, without having an actual substantial interest in Syngenta Finance:

- (i) an enterprise has been contributed in exchange for shares of Syngenta Finance on an elective non-recognition basis;
- (ii) the shares have been obtained under inheritance law or matrimonial law or as a gift, on a non-recognition basis, while the previous shareholder had a substantial interest in Syngenta Finance;
- (iii) the shares have been acquired pursuant to a share merger, legal merger or legal demerger, on an elective non-recognition basis, while the holder of Notes prior to this transaction had a substantial interest in an entity that was party thereto; or
- (iv) the shares held by the holder of Notes, prior to dilution, qualified as a substantial interest and, by election, no gain was recognized upon disqualification of these shares.

### **Residency**

Subject to the exceptions described in this section “Taxation in the Netherlands,” a holder of Notes will not become resident, or a deemed resident, in the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of Syngenta Finance’s performance of its obligations under the Notes, or the acquisition (by way of issue or transfer to it), holding and/or disposal of the Notes by the holder of Notes.

### ***Gift Tax or Inheritance Tax***

No Dutch gift tax or inheritance tax is due in respect of any gift of the Notes by, or inheritance of the Notes on the death of, a holder of Notes, except if:

- (i) at the time of the gift or death of the holder of Notes, the holder of Notes is resident, or is deemed to be resident, in the Netherlands; or
- (ii) the holder of Notes passes away within 180 days after the date of the gift of the Notes and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident in the Netherlands; or
- (iii) the gift of the Notes is made under a condition precedent and the holder of Notes is resident, or is deemed to be resident, in the Netherlands at the time the condition is fulfilled.

For purposes of Dutch gift or inheritance tax, an individual who is of Dutch nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, any individual, irrespective of his nationality, will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the 12 months preceding the date of the gift.

### **Taxation in Switzerland**

The following is a general description of the material Swiss tax considerations relating to the Notes. It does not purport to be a complete description of all tax considerations relating to the Notes. Prospective purchasers of Notes who are in any doubt as to their tax positions should consult their professional advisers.

Prospective holders of Notes should therefore consult their tax advisers regarding the tax consequences of any acquisition, holding or disposal of the Notes.

The following summary is based on the Swiss tax law as applied and interpreted by Swiss tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

#### ***Swiss Withholding Tax***

Payments by Syngenta Finance, or by Syngenta AG as Guarantor, of interest on, and repayment of principal of, the Notes, will not be subject to Swiss Federal withholding tax (*Verrechnungssteuer*), even though the Notes are guaranteed by Syngenta AG, *provided* that Syngenta Finance uses the proceeds from the offering and sale of the Notes outside of Switzerland (unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding for Swiss withholding tax as a consequence of such use of proceeds in Switzerland).

#### ***Stamp Taxes***

There is no issue or transfer stamp tax liability in Switzerland in connection with the issue and redemption of the Notes.

Purchases or sales of Notes where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss federal stamp duty act) is a party, or acts as an intermediary, to the transaction may be subject to Swiss transfer stamp tax at a rate of up to 0.3%. Where both the seller and the purchaser of the Notes are non-residents of Switzerland or the Principality of Liechtenstein, no Swiss transfer stamp tax is payable.

#### ***Income Taxation on Principal or Interest***

- (i) *Notes Held by Non-Swiss Holders*

Payments by Syngenta Finance, or by Syngenta AG as Guarantor, of interest and repayment of principal to, and gain realized on the sale or redemption of Notes by, a holder of Notes who is not a resident of Switzerland and who

during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Notes are attributable and who is not subject to income taxation in Switzerland for any other reason will not be subject to any Swiss federal, cantonal or communal income tax.

(ii) *Notes Held by Swiss Holders as Private Assets*

Individuals who reside in Switzerland and who hold the Notes as private assets are required to include all payments of interest in respect of the Notes by the Issuer in their personal income tax return and will be taxed on the net taxable income (including the payments of interest in respect of the Notes) for the relevant tax period at the then prevailing tax rates.

Depending on the specific final terms (i.e. interest rate, if any, maturity and issue price), the Notes might qualify as bonds with predominant one-time interest payments. Swiss resident holders who sell or otherwise dispose of privately held Notes realize either a tax-free private capital gain or a non-tax-deductible capital loss in case the Notes qualify as bonds without predominant one-time interest payments, i.e., the yield-to-maturity predominantly derives from periodic interest and not from a one-time payment. In case the Notes qualify as bonds with predominant one-time interest payments, the Swiss resident holders will be taxed on any gains, including capital gains, realized on the Notes.

(iii) *Notes Held as Swiss Business Assets*

Individuals who hold Notes as part of a business in Switzerland and Swiss-resident corporate taxpayers and corporate taxpayers residing abroad holding Notes as part of a permanent establishment or fixed place of business situated in Switzerland are required to recognize the payments of interest and any capital gain or loss realized on the sale or other disposition of such Notes in their income statement for the respective tax period and will be taxed on any net taxable earnings for such tax period. The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as “professional securities dealers” for reasons of, *inter alia*, frequent dealings and leveraged transactions in securities.

***Income Taxation on Principal or Interest***

In 2017, Switzerland introduced the global standard for the automatic exchange of information in tax matters (“AEOI”). The Swiss Federal Act on the AEOI entered into force on January 1, 2017. The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. Switzerland signed the Multilateral Competent Authority Agreement (the “MCAA”) which is based on OECD/Council of Europe administrative assistance convention. Based on this, Switzerland has signed declarations on the introduction of the AEOI with various partner states. Switzerland and the EU signed a bilateral agreement on May 27, 2015 which came into force on January 1, 2017. Based on this, Switzerland and the 28 EU member states shall collect account data from 2017 onward and exchange it from 2018 onward. On this basis, Switzerland will begin to collect data in respect of financial assets, including, as the case may be, Notes, held in, and income derived thereon and credited to, accounts or deposits with a financial institution in Switzerland for the benefit of individuals resident in a partner state from, depending on the effective date of the respective agreement, 2017 or 2018, as the case may be, and begin to exchange such data in 2018 or 2019, as the case may be. Prospective purchasers of the Notes should consult their advisors concerning the impact of the AEOI.

**U.S. Federal Income Tax Considerations**

***Introduction***

The following is a description of certain U.S. federal income tax consequences of the ownership and disposition of the Notes. This summary applies only to the U.S. Holders described below that (i) purchase Notes of either series in this offering at their “issue price,” which will equal the first price at which a substantial amount of the Notes of such series is sold for money to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and (ii) hold the Notes as capital assets for U.S. federal income tax purposes.

This discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder’s particular circumstances, including alternative minimum or Medicare contribution tax consequences and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding Notes as part of a straddle or integrated transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes;
- persons required for U.S. federal income tax purposes to conform the timing of income accruals to their financial statements under section 451 of the Internal Revenue Code of 1986, as amended (the “Code”);
- tax-exempt entities; or
- persons holding Notes in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning Notes and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of the Notes.

This summary is based on the Code, administrative pronouncements, judicial decisions and Treasury regulations, all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

**Persons considering the purchase of Notes of any series should consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.**

As used herein, a “U.S. Holder” is a person that is, for U.S. federal income tax purposes, a beneficial owner of a Note and is:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

### ***Certain Additional Payments***

There are circumstances in which we might be required to make payments on the Notes that would increase the yield of the Notes, as described under “Description of the Notes and Guarantees—Offer to Repurchase Upon Change of Control Triggering Event” and “Description of the Notes and Guarantees—Interest Rate Adjustment.” We intend to treat the Notes as “variable rate debt instruments” and to take the position that the possibility of such payments does not result in the Notes being treated as contingent payment debt instruments under the applicable Treasury regulations. Our position is not binding on the Internal Revenue Service (“IRS”). If the IRS takes a contrary position, a U.S. Holder may be required to accrue interest income based upon a “comparable yield” (as defined in the Treasury regulations) determined at the time of issuance of the Notes, with adjustments to such accruals when any contingent payments are made that differ from the payments based on the comparable yield. In addition, any income on the sale, exchange, retirement or other taxable disposition of the Notes would be treated as interest income rather than as capital gain. U.S. Holders should consult their tax advisers regarding the tax consequences if the Notes were treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes are not treated as contingent payment debt instruments.

### ***Interest***

It is expected, and this discussion assumes, that the Notes will be issued without original issue discount for U.S. federal income tax purposes. Interest on a Note (including any tax withheld from interest payments and, without



duplication, any additional amounts paid with respect thereto) will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with a U.S. Holder's method of accounting for U.S. federal income tax purposes. Interest income will constitute foreign-source income for U.S. federal income tax purposes, which may be relevant to a U.S. Holder in calculating the U.S. Holder's foreign tax credit limitation.

#### ***Sale, Retirement or Other Taxable Disposition of the Notes***

Upon the sale, retirement or other taxable disposition of a Note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, retirement or disposition and the U.S. Holder's adjusted tax basis in the Note. For these purposes, the amount realized does not include any amount attributable to accrued but unpaid interest, which will be taxed as described in "—Interest" above. A U.S. Holder's tax basis in the Notes will generally equal the cost of such Note to the U.S. Holder.

Gain or loss recognized on the sale, retirement or other taxable disposition of a Note will generally be capital gain or loss, and will be long-term capital gain or loss if at the time of the sale, retirement or taxable disposition the U.S. Holder has held the Note for more than one year. Gain or loss will generally be U.S.-source for purposes of computing a U.S. Holder's foreign tax credit limitation. The deductibility of capital losses may be subject to limitations.

#### ***Information Reporting and Backup Withholding***

Payments of interest and proceeds from the sale of a Note that are made within the United States or through certain U.S.-related financial intermediaries will be subject to information reporting and to backup withholding, unless the U.S. Holder is an exempt recipient or, in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, *provided* that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who are individuals (or entities closely-held by individuals) may be required to report information relating to non-U.S. accounts through which Notes may be held (or information regarding the Notes if the Notes are not held through any financial institution). U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to the Notes.

## ERISA CONSIDERATIONS

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including entities such as collective investment funds, partnerships and separate accounts whose underlying assets include the assets of such plans (each, an “ERISA Plan”), should consider the fiduciary standards of ERISA in the context of the ERISA Plan’s particular circumstances before authorizing an investment in the Notes. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the ERISA Plan, and whether the investment would involve a prohibited transaction under ERISA or the U.S. Internal Revenue Code of 1986, as amended (the “Code”).

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans, as well as individual retirement accounts, Keogh plans, and any other plans that are subject to Section 4975 of the Code (together with ERISA Plans, “Plans”), from engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under Section 4975 of the Code with respect to the Plan. A violation of these prohibited transaction rules may result in excise tax or other liabilities under ERISA or the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (“Non-ERISA Arrangements”) are not subject to the requirements of Section 406 of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, non-U.S. or other laws (“Similar Laws”).

The acquisition and holding of the Notes by a Plan or any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) with respect to which the Issuer, the Guarantor, the Calculation Agent, the Registrar and Paying Agent or a Manager or any of their respective affiliates (collectively the “Offering Parties”) is or becomes a party in interest or disqualified person may result in a prohibited transaction under ERISA or Section 4975 of the Code, unless the Notes are acquired and held pursuant to an applicable exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions (“PTCEs”) that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Notes. These exemptions are PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers), PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 95-60 (for certain transactions involving certain insurance company general accounts), and PTCE 96-23 (for certain transactions managed by in-house asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities and related lending transactions, *provided* that neither the issuer of such securities nor any of its affiliates has or exercises any discretionary authority or control or render any investment advice with respect to the assets of the Plan involved in the transaction, and provided further that the Plan pays no more and receives no less than “adequate consideration” in connection with the transaction (the “service provider exemption”). There can be no assurance that all of the conditions of any such exemptions will be satisfied with respect to the acquisition and holding of the Notes or any other transaction involving the Notes.

Any purchaser or holder of the Notes or any interest therein will be deemed to have represented by its purchase and holding of the Notes or any interest therein that it either (1) is not a Plan, a Plan Asset Entity or a Non-ERISA Arrangement and is not purchasing the Notes on behalf of or with the assets of any Plan, Plan Asset Entity or Non-ERISA Arrangement or (2) the purchase, holding and subsequent disposition of the Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or a violation under any applicable Similar Laws.

As described herein, the Offering Parties may receive fees or other compensation as a result of the sale of any Notes to a Plan, Plan Asset Entity or Non-ERISA Arrangement; provided however that the Offering Parties will not receive any fees or other compensation directly from a Plan, Plan Asset Entity or Non-ERISA Arrangement for the provision of investment advice in connection with the acquisition of any Notes. None of the Offering Parties are undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition of any Notes by a Plan, Plan Asset Entity or Non-ERISA Arrangement.

In addition, each purchaser and holder of the Notes that is a Plan or Plan Asset Entity, including the fiduciary purchasing any Notes on behalf of a Plan or Plan Asset Entity (the “Plan Fiduciary”) is deemed to represent and warrant by its acquisition of the Notes that the decision to acquire the Notes has been made by the Plan Fiduciary and the Plan Fiduciary is an “independent fiduciary with financial expertise” as described in 29 C.F.R. Sec. 2510.3-21(c)(1) (a “Sophisticated Plan Fiduciary”), meaning that the Plan or Plan Asset Entity and Plan Fiduciary specifically represent and warrant that:

1. The Plan Fiduciary is:
  - a. a bank as defined in Section 202 of the Investment Advisers Act of 1940 (the “Advisers Act”), or similar institution that is regulated and supervised and subject to periodic examination by a U.S. state or U.S. federal agency;
  - b. an insurance carrier which is qualified under the laws of more than one U.S. state to perform the services of managing, acquiring or disposing of assets of a plan;
  - c. an investment adviser registered under the Advisers Act, or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the U.S. state in which it maintains its principal office and place of business;
  - d. a broker-dealer registered under the Exchange Act; or
  - e. an independent fiduciary that holds, or has under its management or control, total assets of at least \$50 million (*provided* that this clause (e) shall not be satisfied if the Plan Fiduciary is an individual directing his or her own individual retirement account or plan account or relative of such individual);
2. The Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies, including the acquisition by the Plan or Plan Asset Entity of any Notes;
3. The Plan Fiduciary is a “fiduciary” within the meaning of Section 3(21) of ERISA, Section 4975 of the Code, or both, with respect to the Plan’s or Plan Asset Entity’s acquisition of any Notes and is responsible for exercising independent judgment in evaluating the Plan’s or Plan Asset Entity’s acquisition of any Notes;
4. The Offering Parties have not exercised any authority to cause the Plan or Plan Asset Entity to invest in the Notes or to negotiate the terms of the Plan’s or Plan Asset Entity’s investment in the Notes;
5. The Plan Fiduciary has been informed and confirms that the Offering Parties will not receive a fee or other compensation directly from the Plan or Plan Asset Entity for the provision of investment advice in connection with the Plan’s or Plan Asset Entity’s acquisition of any Notes; and
6. The Plan Fiduciary has been informed by the Offering Parties and understands:
  - a. that none of the Offering Parties are undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the Plan’s or Plan Asset Entity’s acquisition of the Notes; and
  - b. the existence and nature of the Offering Parties financial interests in the Plan’s or Plan Asset Entity’s acquisition of the Notes.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the Notes on behalf of or with the assets of any Plan, Plan Asset Entity or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption, or the Sophisticated Plan Fiduciary exemption and the potential consequences of any purchase or holding of the Notes under Similar Laws, as applicable. Purchasers of the Notes have exclusive responsibility for ensuring that

their purchase and holding of the Notes do not violate the fiduciary or prohibited transaction rules of ERISA or the Code or any provisions of Similar Laws.

The sale of any Notes to a Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement or that such investment is appropriate for such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement. In this regard, neither this discussion nor anything provided in this Offering Memorandum is investment advice and purchasers of the Notes should consult and rely on their own advisers as to whether an investment in the Notes is suitable for such purchasers.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement, each of the Initial Purchasers has severally agreed to purchase, and we have agreed to sell to each Initial Purchaser, the following principal amount of Notes set forth opposite the name of that Initial Purchaser:

| <b>Initial Purchaser</b>                                                         | <b>Principal Amount<br/>of 2020 Notes</b> | <b>Principal<br/>Amount of 2021<br/>Notes</b> | <b>Principal Amount of<br/>2023 Notes</b> | <b>Principal<br/>Amount of 2025<br/>Notes</b> | <b>Principal Amount<br/>of 2028 Notes</b> | <b>Principal<br/>Amount of 2048<br/>Notes</b> |
|----------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------------|-------------------------------------------|-----------------------------------------------|-------------------------------------------|-----------------------------------------------|
| BNP Paribas Securities Corp.....                                                 | \$90,000,000                              | \$90,000,000                                  | \$120,000,000                             | \$90,000,000                                  | \$120,000,000                             | \$60,000,000                                  |
| Citigroup Global Markets Inc. ....                                               | 75,000,000                                | 75,000,000                                    | 100,000,000                               | 75,000,000                                    | 100,000,000                               | 50,000,000                                    |
| Credit Suisse Securities (USA)<br>LLC .....                                      | 105,000,000                               | 105,000,000                                   | 140,000,000                               | 105,000,000                                   | 140,000,000                               | 70,000,000                                    |
| HSBC Securities (USA) Inc. ....                                                  | 150,000,000                               | 150,000,000                                   | 200,000,000                               | 150,000,000                                   | 200,000,000                               | 100,000,000                                   |
| MUFG Securities Americas Inc. ....                                               | 90,000,000                                | 90,000,000                                    | 120,000,000                               | 90,000,000                                    | 120,000,000                               | 60,000,000                                    |
| Santander Investment Securities<br>Inc. ....                                     | 105,000,000                               | 105,000,000                                   | 140,000,000                               | 105,000,000                                   | 140,000,000                               | 70,000,000                                    |
| Banca IMI S.p.A. ....                                                            | 7,500,000                                 | 7,500,000                                     | 10,000,000                                | 7,500,000                                     | 10,000,000                                | 5,000,000                                     |
| China Construction Bank<br>Corporation Beijing, Swiss<br>Branch Zurich .....     | 15,000,000                                | 15,000,000                                    | 20,000,000                                | 15,000,000                                    | 20,000,000                                | 10,000,000                                    |
| China International Capital<br>Corporation Hong Kong<br>Securities Limited ..... | 15,000,000                                | 15,000,000                                    | 20,000,000                                | 15,000,000                                    | 20,000,000                                | 10,000,000                                    |
| Commerz Markets LLC .....                                                        | 7,500,000                                 | 7,500,000                                     | 10,000,000                                | 7,500,000                                     | 10,000,000                                | 5,000,000                                     |
| Credit Agricole Securities (USA)<br>Inc. ....                                    | 15,000,000                                | 15,000,000                                    | 20,000,000                                | 15,000,000                                    | 20,000,000                                | 10,000,000                                    |
| DBS Bank Ltd. ....                                                               | 7,500,000                                 | 7,500,000                                     | 10,000,000                                | 7,500,000                                     | 10,000,000                                | 5,000,000                                     |
| ICBC Standard Bank Plc .....                                                     | 15,000,000                                | 15,000,000                                    | 20,000,000                                | 15,000,000                                    | 20,000,000                                | 10,000,000                                    |
| ING Financial Markets LLC .....                                                  | 15,000,000                                | 15,000,000                                    | 20,000,000                                | 15,000,000                                    | 20,000,000                                | 10,000,000                                    |
| Rabo Securities USA, Inc. ....                                                   | 15,000,000                                | 15,000,000                                    | 20,000,000                                | 15,000,000                                    | 20,000,000                                | 10,000,000                                    |
| Scotia Capital (USA) Inc. ....                                                   | 7,500,000                                 | 7,500,000                                     | 10,000,000                                | 7,500,000                                     | 10,000,000                                | 5,000,000                                     |
| UniCredit Bank AG .....                                                          | 15,000,000                                | 15,000,000                                    | 20,000,000                                | 15,000,000                                    | 20,000,000                                | 10,000,000                                    |
| <b>Total.....</b>                                                                | <b>\$750,000,000</b>                      | <b>\$750,000,000</b>                          | <b>\$1,000,000,000</b>                    | <b>\$750,000,000</b>                          | <b>\$1,000,000,000</b>                    | <b>\$500,000,000</b>                          |

BNP Paribas Securities Corp., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, HSBC Securities (USA) Inc., MUFG Securities Americas Inc., Santander Investment Securities Inc., Banca IMI S.p.A., China Construction Bank Corporation Beijing, Swiss Branch Zurich, China International Capital Corporation Hong Kong Securities Limited, Commerz Markets LLC, Credit Agricole Securities (USA) Inc., DBS Bank Ltd., ICBC Standard Bank Plc, ING Financial Markets LLC, Rabo Securities USA, Inc., Scotia Capital (USA) Inc. and UniCredit Bank AG are the joint book-running managers for this offering of Notes.

The purchase agreement provides that the obligations of the several Initial Purchasers to purchase the Notes included in this offering are subject to approval of certain legal matters by counsel and to certain other conditions. The Initial Purchasers are obligated to purchase all the Notes of a series if they purchase any of the Notes of that series.

The Notes and the Guarantees have not been and will not be registered under the Securities Act or qualified for sale under the securities laws of any state or jurisdiction outside the United States and may not be offered to, or for

the account or benefit of, persons in the United States except in transactions exempt from the registration requirements of the Securities Act. See “Notice to Investors and Transfer Restrictions.”

We have been advised that the Initial Purchasers propose to resell the Notes at the offering price set out on the cover page of this Offering Memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S. After the initial offering, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. To the extent certain of the Initial Purchasers are not U.S.-registered broker-dealers and they intend to affect any sales of the Notes in the United States they will do so through one or more U.S.-registered broker-dealers permitted by the regulations of the Financial Industry Regulatory Authority, Inc.

In addition, until 40 days after the commencement of this offering, an offer or sale of the Notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

The expenses of this offering are payable by the Guarantor.

In connection with the offering, the Initial Purchasers may purchase and sell Notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of Notes in excess of the principal amount of Notes to be purchased by the Initial Purchasers in the offering, which creates a syndicate short position. Syndicate-covering transactions involve purchases of Notes in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of Notes made for the purpose of pegging, fixing or maintaining the price of the Notes.

The Initial Purchasers may also impose a penalty bid. Penalty bids permit the Initial Purchasers to reclaim selling concessions from a syndicate member when they, in covering syndicate positions or making stabilizing purchases, repurchase Notes originally sold by that syndicate member.

Any of these activities may cause the prices of the Notes to be higher than the price that otherwise would exist in the open market in the absence of such transactions. These transactions may be effected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Certain of the Initial Purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. Certain affiliates of the Initial Purchasers are lenders or agents under the CNAC Facilities Agreement and/or Syngenta’s committed, revolving, multi-currency syndicated credit facility. Proceeds of this offering are being lent to CNAC to facilitate the refinancing of all or a portion of the CNAC Facilities Agreement and such affiliates will receive a portion of such proceeds.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the Initial Purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us and/or to the Guarantor consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act or to contribute to payments the Initial Purchasers may be required to make in respect of any of those liabilities.

Each of the Initial Purchasers has represented and agreed that it has not and will not offer, sell or deliver any of the Notes directly or indirectly, or distribute this Offering Memorandum or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on us except as set forth in the purchase agreement. There will be no offers or sales to retail investors.

Although application has been made to list the Notes on the official list of the Luxembourg Stock Exchange, the Notes are new issues of securities with no established trading market. No assurance can be given as to the liquidity of, or the trading markets for, the Notes. Purchasers of the Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price set forth on the cover page hereof. We have been advised by the Initial Purchasers that they intend to make a market in the Notes, but they are not obligated to do so and may discontinue such market-making at any time without notice.

Delivery of the Notes will be made against payment on April 24, 2018 (T+5). Trades of securities in the secondary market generally are required to settle in two business days, referred to as T+2, unless the parties to a trade agree otherwise. Accordingly, by virtue of the fact that the initial delivery of the Notes will not be made on a T+2 basis, investors who wish to trade the Notes before a final settlement will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement.

ICBC Standard Bank Plc is restricted in its U.S. securities dealings under the U.S. Bank Holding Company Act and may not underwrite, subscribe, agree to purchase or procure purchasers to purchase Notes that are offered or sold in the United States. Accordingly, ICBC Standard Bank Plc shall not be obligated to, and shall not, underwrite, subscribe, agree to purchase or procure purchasers to purchase Notes that may be offered or sold by other initial purchasers in the United States. ICBC Standard Bank Plc shall offer and sell the Notes constituting part of its allotment solely outside the United States.

## **Selling Restrictions**

### ***European Economic Area***

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “Insurance Mediation Directive”), where the customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### ***United Kingdom***

Each Initial Purchaser has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### ***The Netherlands***

Each Initial Purchaser represents, warrants and agrees that it has not offered or sold and will not offer or sell in the Netherlands any Notes other than to persons or entities who or which are qualified investors (*gekwalficeerde beleggers*) within the meaning of Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (which implements the definition of “qualified investors” in the Prospectus Directive (Directive 2003/71/EC)).

### ***Switzerland***

Each Initial Purchaser represents, warrants and agrees that it has not be publicly offered, sold or advertised any Notes, directly or indirectly, in, into or from Switzerland and that the Notes will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

### ***Hong Kong***

Each Initial Purchaser represents, warrants and agrees that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

### ***Singapore***

Each Initial Purchaser has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser represents, warrants and agrees that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or



- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

### ***Canada***

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, *provided* that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "FIEL"), and each Initial Purchaser will be deemed to represent and agree that it has not offered or sold directly or indirectly, and agrees not to offer or sell the Notes, directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, a Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and other applicable laws, regulations and ministerial guidelines promulgated by the relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purpose of this paragraph "Japanese Person" means any person resident in Japan, including any corporation or other entity incorporated or organized under the laws of Japan.

### ***Republic of Korea***

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act and the decrees and regulations thereunder (the "FSCMA") and the Notes have been and will be offered in Korea as a private placement under the FSCMA. None of the Notes may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except as otherwise permitted under the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the

“FETL”). For a period of one year from the issue date of the Notes, any acquirer of the Notes who was solicited to buy the Notes in Korea is prohibited from transferring any of the Notes to another person in any way other than as a whole to one transferee. Furthermore, the purchaser of the Notes shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Notes.

### ***Taiwan***

The Notes have not been, and will not be, registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan, the Republic of China (“Taiwan”) and/or other regulatory authority of Taiwan pursuant to applicable securities laws and regulations and may not be sold, issued or offered within the Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Taiwan Securities and Exchange Act or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of the Taiwan. No person or entity in Taiwan is authorized to offer, sell or distribute or otherwise intermediate the offering of the Notes or the provision of information relating to this Offering Memorandum.

The Notes may be made available to Taiwan resident investors outside Taiwan for purchase by such investors outside Taiwan for purchase outside Taiwan by investors residing in Taiwan, but may not be issued, offered sold or resold in Taiwan, unless otherwise permitted by Taiwan laws and regulations. No subscription or other offer to purchase the Notes shall be binding on us until received and accepted by us or any Initial Purchaser outside of Taiwan (the “Place of Acceptance”).

### ***People’s Republic of China (excluding Hong Kong, Macau and Taiwan)***

The Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China, or the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by all relevant laws and regulations of the PRC.

This Offering Memorandum (i) has not been filed with or approved by the PRC authorities and (ii) does not constitute an offer to sell, or the solicitation of an offer to buy, any Notes in the PRC to any person to whom it is unlawful to make the offer of solicitation in the PRC.

The Notes may not be offered, sold or delivered, or offered, sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly (i) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the PRC, or (ii) to any person within the PRC, other than in full compliance with the relevant laws and regulations of the PRC.

Investors in the PRC are responsible for obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, those which may be required by the China Securities Regulatory Commission, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC laws and regulations, including, but not limited to, all relevant foreign exchange regulations and/or securities investment regulations.

## NOTICE TO INVESTORS AND TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes offered hereby. The Notes and the Guarantees have not been, and will not be, registered under the Securities Act or any state securities laws of any state of the United States or the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold (A) in the United States only to QIBs in reliance on Rule 144A and (B) outside the United States only to non-U.S. persons in “offshore transactions” in reliance on Regulation S.

Each purchaser of Notes in the United States will be deemed to have acknowledged, represented to and agreed with the Issuer, the Guarantor and each Initial Purchaser as follows:

1. It understands and acknowledges that the Notes and the Guarantees have not been, and will not be, registered under the Securities Act or any other applicable securities laws, are being offered for sale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except in compliance with the registration requirements of the Securities Act and any other applicable securities laws, pursuant to an exemption therefrom or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraphs (3), (4) and (5) below.
2. It is not an “affiliate” (as defined in Rule 144 under the Securities Act) of the Issuer or the Guarantor or acting on behalf of the Issuer or the Guarantor. It is a QIB and is aware that any sale of Notes to it will be made in reliance on Rule 144A under the Securities Act, and the purchase of the Notes will be for its own account or the account of another QIB.
3. It understands that the Notes may not be reoffered, resold, pledged or otherwise transferred except (A) (i) inside the United States to a person who it reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in an offshore transaction in compliance with Rule 903 or Rule 904 of Regulation S, (iii) pursuant to an exemption from registration under the Securities Act (if available) or (iv) to the Issuer or its affiliates, and (B) in accordance with all applicable securities laws of the states of the United States.
4. It acknowledges that the Notes will bear a legend substantially to the following effect:

“THE SECURITIES AND THE GUARANTEES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY OTHER APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, AGREES FOR THE BENEFIT OF SYNGENTA FINANCE N.V. (THE “COMPANY”) THAT THE SECURITIES AND THE GUARANTEES EVIDENCED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND ONLY (A) WITHIN THE UNITED STATES PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON WHO THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (C) PURSUANT TO ANY OTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), (D) TO THE COMPANY OR ITS AFFILIATES OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOTIFY ANY

PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. THIS LEGEND WILL BE REMOVED ONLY AT THE OPTION OF THE COMPANY.”

5. It either (i) is not and is not acting on behalf of (a) a pension, profit-sharing or other employee benefit plan subject to ERISA or an individual retirement account, Keogh plan or any other plan subject to Section 4975 of the Code (a “Plan”), (b) an employee benefit plan that is a governmental plan (as defined in Section 3(32) of ERISA), a church plan (as defined in Section 3(33) of ERISA) or a non-U.S. plan (as described in Section 4(b)(4) of ERISA) that is not subject to the requirements of ERISA or the Code but is subject to similar provisions under applicable federal, state, local, non-U.S. or other laws (“Similar Laws”) or (c) an entity whose underlying assets include “plan assets” by reason of any such plan’s investment in the entity or (ii) the purchase, holding and subsequent disposition of the Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws.
6. It acknowledges and agrees that, if it is purchasing or holding the Notes on behalf of a Plan, that it (i) is an independent fiduciary to the Plan and is responsible for exercising independent judgment in evaluating the decision to purchase or hold the Notes on behalf of the Plan, (ii) is a bank, insurance carrier, investment adviser or broker-dealer described in 29 C.F.R. Sec. 2510.3-21(c)(1) or holds, or has under management, total assets of at least \$50 million, (iii) is capable of evaluating investment risks independently, both in general and with regard to the purchase and holding of the Notes and (iv) understands and has been fairly informed of the financial interests of the Offering Parties in connection with the purchase and holding of the Notes.
7. It acknowledges and agrees that nothing in this Offering Memorandum is investment advice and it understands that purchasers of the Notes should consult and rely on their own advisers as to whether an investment in the Notes is suitable for such purchasers.
8. It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.
9. It acknowledges that the Issuer and the Trustee will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to the Issuer and the Trustee that the restrictions set forth therein have been complied with.
10. It acknowledges that the Issuer, the Guarantor, each Initial Purchaser and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agrees that if any of the acknowledgments, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the Issuer and the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account.

Each purchaser of Notes outside of the United States will be deemed to have acknowledged, represented to and agreed with the Issuer, the Guarantor and each Initial Purchaser as follows:

1. It understands and acknowledges that the sale of the Notes to it is being made pursuant to and in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act and it is, or at the time such Notes are purchased, will be, the beneficial owner of such Notes and (A) it is not a U.S. person and is located outside the United States (within the meaning of Regulation S), and (B) it is not an affiliate of the Issuer, the Guarantor or a person acting on behalf of such affiliates.
2. It understands and acknowledges that the Notes and the Guarantees have not been, and will not be, registered under the Securities Act or any other applicable securities laws, and, during the Distribution Compliance Period (defined as 40 days after the later of the commencement of the offering and issuance of the Notes), may not be offered, sold, pledged or otherwise transferred except (A) (i) in an offshore transaction in compliance with Rule 903 or Rule 904 of Regulation S, (ii) to a person who it reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (iii) pursuant to an exemption

from registration under the Securities Act (if available) or (iv) to the Issuer or its affiliates, and (B) in accordance with all applicable securities laws of the states of the United States.

3. It acknowledges that the Notes will bear a legend substantially to the following effect:

“THE SECURITIES AND THE GUARANTEES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY OTHER APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, AGREES FOR THE BENEFIT OF SYNGENTA FINANCE N.V. (THE “COMPANY”) THAT THE SECURITIES AND THE GUARANTEES EVIDENCED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT, AND, PRIOR TO THE EXPIRATION OF FORTY DAYS FROM THE LATER OF (1) THE DATE ON WHICH THESE SECURITIES WERE FIRST OFFERED AND (2) THE DATE OF ISSUANCE OF THESE SECURITIES, ONLY (A) WITHIN THE UNITED STATES PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON WHO THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (C) PURSUANT TO ANY OTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), (D) TO THE COMPANY OR ITS AFFILIATES OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, REPRESENTS AND AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.”

4. It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.
5. It acknowledges that the Issuer and the Trustee will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to the Issuer and the Trustee that the restrictions set forth therein have been complied with.
6. It acknowledges that the Issuer, the Guarantor, each Initial Purchaser and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agrees that if any of the acknowledgments, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the Issuer and the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account.

## LISTING AND ADMISSION TO TRADING

### Clearing Reference Numbers

The Notes have been accepted for clearance through DTC. The CUSIP and ISIN numbers for the Notes are as follows:

|                          | Rule 144A    | Regulation S |
|--------------------------|--------------|--------------|
| <b>CUSIP</b> .....       |              |              |
| 2020 Notes:              | 87164K AD6   | N84413 CH9   |
| 2021 Notes:              | 87164K AE4   | N84413 CJ5   |
| 2023 Notes:              | 87164K AH7   | N84413 CM8   |
| 2025 Notes:              | 87164K AG9   | N84413 CL0   |
| 2028 Notes:              | 87164K AC8   | N84413 CG1   |
| 2048 Notes:              | 87164K AJ3   | N84413 CN6   |
| <b>ISIN</b> .....        |              |              |
| 2020 Notes:              | US87164KAD63 | USN84413CH93 |
| 2021 Notes:              | US87164KAE47 | USN84413CJ59 |
| 2023 Notes:              | US87164KAH77 | USN84413CM88 |
| 2025 Notes:              | US87164KAG94 | USN84413CL06 |
| 2028 Notes:              | US87164KAC80 | USN84413CG11 |
| 2048 Notes:              | US87164KAJ34 | USN84413CN61 |
| <b>Common Code</b> ..... |              |              |
| 2020 Notes:              | 181328991    | 181329017    |
| 2021 Notes:              | 181329025    | 181260475    |
| 2023 Notes:              | 181329033    | 181243341    |
| 2025 Notes:              | 181329041    | 181259752    |
| 2028 Notes:              | 181329050    | 181329068    |
| 2048 Notes:              | 181329076    | 181259299    |

### **Listing and Admission to Trading**

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and to trade them on the regulated market of the Luxembourg Stock Exchange. In the event that global notes are exchanged for definitive certificated notes, announcement of such exchange shall be made through the Luxembourg Stock Exchange and such announcement will include all material information with respect to the delivery of the definitive certificated notes. The estimated fees and expenses related to the admission of the Notes to trading on the Luxembourg Stock Exchange will be approximately €1,200.

### **Interests of Natural and Legal Persons Involved in the Issuance of the Notes**

Except for any fees payable to the Initial Purchasers or as disclosed within “Plan of Distribution” in this Offering Memorandum, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest that is material to the offer.

### **Persons Responsible**

This Offering Memorandum constitutes a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities, as amended, and may only be used for the purposes for which it has been published. Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Offering Memorandum and declares that, to the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **Documents Available for Inspection**

For so long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and to listing on the official list of the Luxembourg Stock Exchange and the rules and regulations of that exchange so require, copies of the following documents in English may be inspected and obtained at our expense at the specified office of the listing agent in Luxembourg during normal business hours on any weekday:

- the Issuer’s articles of incorporation (which may also be inspected at the Luxembourg Register of Commerce and Companies Register during normal business hours) and the Guarantors’ organizational documents (*estatuto social*);
- any present and future annual and interim reports of the Issuer and the Guarantor; and
- the Indenture, which includes the Guarantees and the form of the Notes.

### **Corporate Authority**

The issuance of the Notes was authorized by the Issuer’s board of directors on March 12, 2018, and the guarantee of the Notes was authorized by the Guarantor’s board of directors on February 6, 2018. The Issuer and the Guarantor have obtained all necessary consents, approvals, authorizations or other orders for the issue of the Notes and other documents to be entered into by the Issuer in connection with the issue of the Notes in Luxembourg.

### **No Significant or Material Adverse Change**

Except as disclosed in this Offering Memorandum, there has been no material adverse change in the prospects of the Guarantor and its subsidiaries taken as a whole since December 31, 2017, nor any significant change in the financial or trading position of the Guarantor and its subsidiaries taken as a whole since December 31, 2017.

Except as disclosed in this Offering Memorandum, there has been no material adverse change in the prospects of the Issuer nor any significant change in the financial or trading position of the Issuer since December 31, 2017, the date of the most recent audited financial statements and most recent published financial statements of the Issuer, which are incorporated by reference in this Offering Memorandum.

### **Litigation**

Except as disclosed in this Offering Memorandum, including as set out in “Overview—Recent Developments” and “Risk Factors—Risks Relating to Syngenta’s Business—Adverse outcomes in legal proceedings could subject Syngenta to substantial damages and adversely affect Syngenta’s results of operation and profitability” as well as the “Litigation Matters” section starting from page 34 of the 2017 Financial Report, which is incorporated by reference herein, there are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which either of the Issuer or the Guarantor is aware, which may have or have had during the 12 months prior to the date of this Offering Memorandum a significant effect on the financial position or profitability of the Issuer or the Guarantor and its subsidiaries taken as a whole.



## **VALIDITY OF THE NOTES AND GUARANTEES**

Davis Polk & Wardwell London LLP, the Issuer's and the Guarantor's U.S. counsel, will pass upon the validity of the Notes and the Guarantees. Bär & Karrer AG, the Issuer's and the Guarantor's Swiss counsel, will pass upon Swiss law matters. De Brauw Blackstone Westbroek N.V., the Issuer's Dutch counsel, will pass upon Dutch law matters. White & Case LLP, U.S. counsel for the Initial Purchasers, will pass upon certain legal matters relating to the Notes and Guarantees. Davis Polk & Wardwell London LLP and White & Case LLP may rely upon the opinions of Bär & Karrer AG and De Brauw Blackstone Westbroek N.V. with respect to all matters of Swiss and Dutch law, respectively.

## **INDEPENDENT AUDITORS**

The consolidated financial statements of Syngenta AG and its subsidiaries as of December 31, 2017, and for the year then ended, incorporated by reference in this Offering Memorandum, have been audited in accordance with Swiss law, International Standards on Auditing and Swiss Auditing Standards, by KPMG AG, independent auditors registered with the Swiss Federal Audit Oversight Authority to perform audits in Switzerland, as stated in their report incorporated by reference herein.

The consolidated financial statements of Syngenta AG and subsidiaries as of December 31, 2016 and 2015, and for each of the years in the three-year period ended December 31, 2016, incorporated by reference in this Offering Memorandum, have been audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) by KPMG AG, an independent registered public accounting firm, as stated in their report incorporated by reference herein.

The non-consolidated financial statements of Syngenta Finance, N.V. as of and for the financial years ended December 31, 2017 and December 31, 2016 have been audited in accordance with Dutch law by KPMG Accountants N.V., as stated in their reports incorporated by reference herein. KPMG Accountants N.V. with their address at Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands, are independent public auditors and are members of the Dutch Professional Organisation for Accountants (Nederlandse Beroepsorganisatie van Accountants (NBA)).

**ISSUER**

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**CALCULATION AGENT**  
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