

MONSANTO



Hugh Grant

Chairman and Chief Executive Officer

MONSANTO COMPANY

800 NORTH LINDBERGH BLVD.

ST. LOUIS, MISSOURI 63167

PHONE: (314) 694-8331

FAX: (314) 694-2120

hugh.grant@monsanto.com

<http://www.monsanto.com>

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Board of Directors
Syngenta AG
CH-4002 Basel
SWITZERLAND

Attention: Michel Demaré, Chairman of the Board
Michael Mack, Chief Executive Officer

Dear Michel and Mike:

Following up on our recent discussions, I want to reinforce my personal disappointment with the pace of progress in what we seek to be a constructive, good-faith process to negotiate a mutually beneficial transaction.

You told me that your biggest concern with our proposal was antitrust. After three meetings over the last month with your outside antitrust team, we do not believe they have raised any credible theory that could be used to impede our proposed merger on the basis of competition concerns, given our upfront commitment to divest your entire seeds and traits business and overlapping herbicides in our respective portfolios. Nevertheless, as a sign of our high degree of confidence in obtaining the necessary regulatory approvals, we are willing to commit to a reverse breakup fee of \$2 billion payable if we are unable to consummate the transaction for antitrust reasons within 18 months. Such a fee would be among the highest reverse breakup fees that any company has agreed to, and is in addition to our upfront divestiture commitments.

It is clear to us, based on feedback from your shareholders and ours, that there is broad-based support for our proposal from both shareholder groups. This support is also evident from the enormous increase in your share price based on speculation of a transaction.

We are convinced that the proposed transaction, combining Monsanto's leading seeds, traits and information technology capabilities with Syngenta's global leadership in crop protection chemicals, creates significant value for growers and consumers. We remain focused and committed to pursuing a successful transaction.

I want to take the opportunity to respond to the concerns that you raised in your April 30 letter, with particular focus on the regulatory concerns that you raised on our call on June 4 as the basis for your Board's decision not to pursue further discussions.

Valuation

Our proposal presents a unique and highly compelling opportunity for Syngenta shareholders to maximize value through a very significant premium to Syngenta's unaffected share price of CHF 314 on April 30, 2015, the day before the initial press reports of our approach. On an aggregate basis, this premium represents CHF 12.5 billion of incremental value to the Syngenta shareholders. Given the proposed consideration mix of approximately 45% cash and 55% shares, your shareholders would benefit from both substantial value certainty and significant upside through an approximately 30% ownership in the combined company, which will have attractive growth prospects, a strong balance sheet, meaningful synergies and attractive financial profile.

Below are additional financial metrics that support the highly compelling nature of our proposal:

- Substantial premiums as of April 30, 2015, the last trading day prior to initial press reports of our approach:
 - 43% premium to Syngenta's unaffected closing share price
 - 41% premium to Syngenta's 6-month volume weighted average price
 - 45% premium to Syngenta's 12-month volume weighted average price
 - 29% premium to Syngenta's 52-week high closing price of 349 CHF
 - 41% premium to the average unaffected Wall Street consensus price target of 325 CHF
- Historically attractive transaction multiple:
 - 15.8x Syngenta's 2014 Adjusted EBITDA of \$2.9 B
 - 16.3x Syngenta's 2015E Adjusted EBITDA of \$2.8 B, based on median analyst estimates, compared to 11.6x implied by Syngenta's unaffected trading price
- Significantly higher multiple than precedent Crop Science transactions
 - Platform paid 11.5x LTM EBITDA for Arysta LifeScience in 2014
 - Platform paid 10.0x LTM EBITDA for Chemtura AgroSolutions in 2014
 - Bayer paid 10.2x LTM EBITDA for Aventis Crop Science in 2001
 - BASF paid 11.8x LTM EBITDA for Cyanamid in 2000

Based on public information, our proposal of 449 CHF per share represents full and compelling value for Syngenta. As we discussed, you can provide us access to due diligence as to your strategic plans and other non-public information, and if that information shows results or synergy potential that exceeds what we and investors have

assumed based on public information, we would consider that new information in order to refine our view on value.

Impact on Syngenta's Integrated Crop Strategy

We share the vision underlying the Integrated Crop Strategy that you announced in 2011. We believe, however, that this vision can be achieved more quickly, with greater success and, most importantly, with very substantial additional benefits for Syngenta and its stakeholders by combining your leadership in crop protection with our leading seeds, traits, biologics and data technology footprint. The combination of our companies would redefine the future of agriculture:

- **Innovation**: The combined company could build on the unique strengths of Monsanto and Syngenta – including their world-class scientists and R&D capabilities – to enhance the scope and speed of breakthrough innovation in the industry. This would enable the combined company to deliver integrated and sustainable solutions across all the major technology-driven platforms of breeding, biotechnology, crop protection, microbials and precision agriculture in a more efficient manner than either company can do on a standalone basis.
- **Scale and Reach**: The combination would unlock enhanced scale and reach, providing the opportunity to offer growers an integrated solution set across a broader group of crops, geographies and production practices than either company is able to do on its own. This increased scale would enable access to the world's most cutting-edge opportunities to growers who, due to limitations of technology, are currently only able to maximize production on just a fraction of arable lands. By offering a broader spectrum of products and technologies for all growers, regardless of crop or production practice, the combined company would be able to create better solutions for each grower's unique challenges.
- **Precision Farming**: Monsanto's Climate platform would enable the combined company to provide growers with even more valuable insights in order to maximize yields on their crops and fields, while ensuring inputs are applied in a precise manner to reduce waste and environmental impact. Precision agriculture will serve as the integrator across products and technologies.

The combination of the best parts of Monsanto and Syngenta would deliver more value for growers, consumers and shareholders. We have analyzed extensively the actions needed to implement the integration of Syngenta's crop protection business with our seeds and traits business, and we are confident that we can achieve this plan. We stand ready to discuss this plan with you and to receive the benefit of your knowledge and input to optimize the plan and implementation. Such a discussion, plus a limited set of due diligence information, would allow us to refine and quantify this upside further.

Transaction Certainty and Regulatory Approvals

Our internal legal and subject matter experts have worked closely with our outside antitrust counsel – from three different law firms with substantial history with Monsanto and the agriculture industry – to evaluate potential regulatory obstacles to our proposed transaction. After extensive analysis, we have a high degree of confidence that we will obtain timely regulatory approval. We have described to you (and publicly announced) our proposed divestiture of your full seed and trait business and the overlapping herbicides in our respective portfolios. The planned divestitures, to which we are willing to commit contractually, should provide the comfort that you need to proceed with the transaction. To the extent that there are marginal issues, we are prepared to address those in good faith.

You acknowledged on our call that we had addressed concerns about head-to-head competition (*i.e.*, horizontal overlaps), but suggested that regulators could seek to block our proposed transaction on the basis of “vertical” and “conglomerate” concerns. There is very little precedent for deals to be blocked on such theories, and we see no credible basis that would support such a result in our transaction.

A number of firms in the agriculture industry offer an integrated portfolio of seeds and chemistry, and rather than having anticompetitive effects, that integration has enabled them to achieve significant efficiencies. Our seed and your chemistry shares are generally far below the level required to support either a vertical foreclosure or conglomerate merger theory.

Monsanto has a long history of licensing traits and otherwise enabling competing seed companies, and there is nothing about the acquisition of your chemistry business that will affect the merged firm’s incentives to continue that licensing. Likewise, Syngenta has made the decision to supply seed treatments and chemicals for mixtures to its competitors despite having a seed and trait business. We can imagine no reason why having a larger seed and trait business would have any impact on the combined company’s incentives to continue that strategy.

In sum, while we have no doubt that regulators will review the transaction closely, we see no legitimate basis for the regulatory concerns identified in your public or private statements, and your legal counsel have identified none to us. Our proposal to include such a substantial reverse break-up fee demonstrates our confidence that this transaction will be approved in a timely fashion.

Impact on Syngenta’s Other Stakeholders and Other Concerns

We are encouraged by the initial reaction to our proposal from our respective shareholders, customers and other observers.

We believe Syngenta's management and employees will play a critical role in the success of the combined company, and we look forward to establishing a program to ensure that we retain key talent from both companies' management teams. As we said previously, we are prepared to include members from Syngenta's board on the board of the combined company. We believe that the addition of these directors will provide continuity and insights from Syngenta going forward. We welcome the opportunity to meet with you to discuss additional appropriate steps that will address the impact of this transaction on other stakeholders and any other concerns you may have.

Next Steps


It is unfortunate that our initial approach to you was leaked to the press shortly before your rejection letter was received by us. The speculation and uncertainty have potentially negative effects on employees in both organizations, and on the value of the combination. This has created even greater urgency to engage in serious discussions of our proposal.

We are strongly committed to pursuing this transaction, and are prepared to move quickly. It is my continued preference to work with you to create significant value together. At this stage, and in light of the compelling terms of our proposal, including the very substantial reverse break-up fee we have proposed and our further clarifications in this letter, I encourage you and your Board to engage in a prompt and constructive process. We have the unique opportunity to bring our companies together in a transaction that would be in the best interests of all of our respective stakeholders.

As you can understand, our proposal is non-binding, and is subject to our completion of customary due diligence, the negotiation and execution of a definitive agreement approved by the Boards of Directors of both companies, and usual and customary conditions for transactions of this nature.

We remain prepared to negotiate in good faith all aspects of our proposal.

Very truly yours,



Hugh Grant
Chairman and Chief Executive Officer