

## Media release

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11.1.2008

### **Reprimand against Syngenta AG by the SWX Swiss Exchange**

**The SWX Swiss Exchange has issued a reprimand against Syngenta AG, Basel, for violation of the time limit for disclosing management transactions pursuant to Art. 74a of the Listing Rules.**

Under Art. 74a LR, issuers must ensure that persons subject to the reporting obligation (members of the board of directors and the management board) report their transactions to the issuer on the second trading day after the transaction date at the latest.

Transactions of an issuer's members of the board of directors and management board that exceed the threshold of CHF 100,000 per calendar month must be reported to the SWX by the issuer within two trading days of receiving the information. The reports then are published on the SWX Website. It follows that no more than four trading days may pass between the transaction and transmission of the information to the SWX.

The purpose of the disclosure of management transactions is to provide market participants as rapidly as possible with information on transactions executed by the management of listed companies.

Syngenta, in collaboration with a bank, offers a system that among other things processes reportable transactions of persons subject to the reporting obligation. Upon execution of the transaction, an automatically generated e-mail is sent to the persons responsible at Syngenta for submitting the report of such transactions to SWX.

On 12 March 2007, a member of the senior management / executive member of the board of directors, entered an order into this system to sell 12'225 registered shares of Syngenta AG and on the same day tried to change the order in the system, without success. Thereupon, an employee in the department which also bears responsibility for reporting management transactions changed the order by telephone. After the bank executed the trade, that fact was confirmed to the latter individual, who in turn forwarded the information to the liable person subject to the reporting obligation.

However, the bank's e-mail report of the transaction to Syngenta was sent only on 16 March 2007 and employees of Syngenta erroneously allocated it to other management transactions. As a result, SWX and the public were not informed of the transaction. Syngenta did not notify SWX until 12 April 2007, after an internal control discovered that the report had been neglected. Accordingly, the sale of 12'255 registered shares representing a total value of CHF 1'572'496.30 was reported with a delay of 19 trading days.

The Sanction Commission considers this to be a breach caused by negligence: although the automated system malfunctioned, the trade report was received by telephone in a timely manner by the responsible department. Given the size of the transaction and in awareness of the technical problems, the

responsible parties could easily have submitted the report to SWX without waiting for the e-mail confirmation, which came later and ultimately could not be properly allocated. This negligence must be accorded to Syngenta. However, the Sanction Commission views the matter as a minor breach and therefore has issued a reprimand against Syngenta, the most moderate of sanctions.

Information on provisions regarding the disclosure of management transactions is available at:

[http://www.swx.com/admission/being\\_public/management\\_transactions\\_en.html](http://www.swx.com/admission/being_public/management_transactions_en.html)

The published notifications are available at:

[http://www.swx.com/admission/being\\_public/mtrans/publication\\_en.html](http://www.swx.com/admission/being_public/mtrans/publication_en.html)

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