Monsanto

FROM (NAME & LOCATION) C. O. Hoyer - St. Louis

DATE : September 15, 1968 CC:

SUBJECT : Management Guide

REFERENCE :

TO : Holders of the Management Guide

Attached are updated pages dated 9/68 for several sections of the Management Guide; Following is a summary of the changes:

COMMITTEES

C-I-1 & 2 Board of Directors	Reflects the approved Board resolutions. Mr. Queeny's name deleted.
C-I-3 Executive Committee	Reflects approved Board resolutions.
C-I-4 & 5 Corporate Development Committee	No substantive changes in the text, but added Item 13 which picks up the function formerly assigned to the Project Performance Committee. Membership is changed as is the Secretary. O'Neal's name deleted.
C-I-6 Executive Compensation Committee	The name of Mr. Queeny deleted.
C-I-7 Management Development Committee	Mr. Sommer's name added.
C-I-7 & 8 Auditing Committee	No change.
C-I-8 Government Affairs Committee	No text changes. Added the name of J. D. Mahoney.
C-I-9 Budget Committee	No text change. Membership the same as the CDC, plus F. Morgan, L. F. Steinbach, secretary, and F. A. Stroble, alt. secretary.
C-I-10 Salary Committee	No change. Name of E. J. Bock deleted and H. H. Bible added.

IN-10 REV. 11-65

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C-I-10 Retirement Plan Committee	Added names of H. H. Bible, R. Harris and T. K. Smith. Deleted names of J. L. Christian and C. P. Cunningham.
C-I-11 Headquarters Site Committee	Names of H. H. Bible and J. R. Eck added. Names of E. J. Bock and C. O. Hoyer deleted.
C-I-11 Corporate Membership Committee	Names of H. H. Bible and F. Morgan added. J. L. Christian and P. J. Dowd deleted.
Old Note C-I-11 1/68 Project Performance Committee and C-I-13 & 14 3/67 Corporate Security Officer	Deleted. J. Pettry is the approved Corporate Security Officer.

EXECUTIVE SECTION

C-II-1 Introduction	Text changed to reflect Group Vice Presidents.
C-II-2	New chart.
C-II-2A	New chart.
C-II-3 & 4 Chairman of the Board	No change except date.
C-II-5 & 6 President	No change except date.
C-II-7 & 8 Senior Vice President - Operations	The wording has been revised to reflect the relationship of Group Vice Presidents with the Senior Vice President, and the Senior Vice President with the President.
C-II-9 & 10 Senior Vice President - Commercial	All new.
C-II-11 & 12 Assistant to the President Secretary, Executive Committee Secretary, CDC	All new. This reflects consolidation of two descriptions in effect heretofore.
C-II-13 & 14 Group Vice President	All new.

OPERATION DIVISIONS

C-III-1 & 2 Introduction	Slight revision.

C-III-5 & 6 Division General Manager	Group Vice President position
C-III-29 & 30 General Manager - International Division	Revised wording to reflect latest charter.

CENTRAL DEPARTMENTS

C-IV-1 & 2 Introduction	Changed to reflect CDC instead of EC.

GENERAL POLICY STATEMENTS

D-I-1 Company Policy	Summary wording
D-I-4 Corporate Government Security	Added Security Government Contracts AEC-DOD.
D-I-12 - 14 Acquisition and Merger Policy	Revised and change in delegation.
D-VIII-3 Salary Committee Approval	In paragraph E., Executive Committee changed to president.
D-VIII-10 Bonus Plan	In paragraph D., Bonus Committee changed to Executive Compensation Committee.
D-IX-3, 4 & 9 Delegation of Authority	Delegate is changed to grant, 4th paragraph pages 3 & 4, and reflects the latest Board resolutions.
D-IX-13 Guarantees	1st paragraph "such authority", deleted.

C. Q. Hoyer

Monsanto
COMPANY

BOARD OF DIRECTORS

Reports to: Shareowners

FUNCTIONS

1. Has authority to exercise all powers of the company, except those that by statute, the Certificate of Incorporation, or the By-laws, are required to be exercised by the shareowners and renders decisions on major transactions. Establishes major corporate policies. Exercises general control over the company's business and property.

2. Elects officers of the company and establishes their rates of remuneration. Establishes standing committees to exercise certain powers of the Board of Directors in the intervals between meetings of the Board of Directors and appoints members thereto.

   Any ad hoc or study groups appointed by the Board for specific purpose shall not serve longer than one year from the date of appointment, after which members of such groups will either be reappointed, membership changed, or abolished.

3. Reviews and approves appropriation requests which exceed $1.0 M̄ per item, upon recommendation by the President.

4. Reviews and approves the sale or the disposition of tangible or intangible assets, including divestitures, which involve payments or value to the company in excess of $1.0 M̄, upon recommendation by the President.

5. Establishes the financial policy for the company. Determines methods of major financing. Establishes and maintains company liquidity with an appropriate equity to debt ratio.

6. Determines that there are adequate funds for capital additions, expansion and other company purposes and that of its subsidiaries, regardless of type, including net finance leases for the company and its subsidiaries.

7. Approves the selection, maintenance and closing of principal (accounts in excess of $75,000) depositories involving banking services and the funds of the company and its subsidiaries upon recommendation of the President.

8. Sets policy regarding investment of surplus funds and receives quarterly reports from the vice-president-Finance, to whom it delegates authority to invest such funds.

9. Sets policy regarding the company's pension plans, including the funding of such plans. In addition, will appoint trustees and investment managers.

10. Approves guarantees on behalf of the company or its subsidiaries or third parties where the amount of the guarantee exceeds \$1.0 $\overline{M}$ per transaction.

11. Declares dividend payments to be made by the company.

12. Authorizes the contribution of initial or additional capital to existing or new domestic or overseas subsidiaries in amounts exceeding \$100M capital.

    Approves capitalization of intercompany debt (advances, payables, and other forms of intercompany debt) due from domestic or overseas subsidiaries where the amount to be capitalized is in excess of \$3,000,000 per year.

13. Establishes company policy covering supplier, net finance, and real property leases and approves such leases involving a total commitment in excess of \$1 $\overline{M}$

14. Holds regular meetings at the offices of the company at St. Louis County, unless some other place is specified, on dates set by the Board of Directors; holds special meetings as may be called as specified by the By-laws. One-third of the total Board membership (but not less than two) will constitute a quorum for the transaction of business.

BOARD OF DIRECTORS

Charles H. Sommer, Chairman

Dillon Anderson
Edward J. Bock
David R. Calhoun
John L. Christian
Fredrick M. Eaton
John L. Gillis
Herbert Hoover, Jr.
Edward A. O'Neal
James S. Rockefeller
Charles Allen Thomas
Monte C. Throdahl

Edwin J. Putzell, Jr., Secretary

Monsanto
COMPANY

EXECUTIVE COMMITTEE

Reports to: Board of Directors

FUNCTIONS

1. By delegation from the Board of Directors exercises the powers of the Board of Directors between board meetings in the management of the usual and ordinary business and affairs of the company, excepting -

   (a) Those matters for which specific authority or direction has been otherwise delegated by the Board of Directors.

   (b) Matters relating to amendments to the Certificate of Incorporation or by-laws of the company, major changes in corporate organization and structure, changes of capital structure and financing, fixing of a record date for any meeting of stockholders, distribution on shares of stock, the declaration of dividends, the determination of any other rights of stockholders.

   (c) Approval of proposed expenditures for new projects representing capital additions, or for replacements, including pre-project engineering and procurement expenditures, or for project variances or for overruns.

   (d) Approval of sales of tangible and/or intangible assets (including technical know-how and services) of the Company.

2. Subject to 1 above, the Committee may delegate to others in the Company authority with respect to the management of the usual and ordinary business and affairs of one or more divisions and/or departments of the Company.

3. Authorizes the opening of bank accounts not to exceed $75,000.

4. Authorizes signers of checks on Monsanto bank accounts and of alcohol permits.

5. Acts on recommendations of the president with regard to governmental and civic affairs.

6. Regularly reports its acts and proceedings to the Board of Directors.

7. The committee consists of directors of the corporation of which three members must be present at meetings to constitute a quorum for the transaction of business.

Monsanto
COMPANY

EXECUTIVE COMMITTEE

Edward J. Bock, Chairman

John L. Christian — Edward A. O'Neal

John L. Gillis — Charles H. Sommer

John N. Ehlers, Secretary

CORPORATE DEVELOPMENT COMMITTEE

Reports to: President

FUNCTIONS

1. The Corporate Development Committee and its members assist and advise the chief executive officer in the discharge of his responsibilities connected with this office. It serves as the focal point in an advisory capacity for corporate development and growth efforts. Assists the president in the implementation of responsibilities for short- and long-range development planning.

2. Recommends to the president basic growth objectives and growth policies to guide industrial development actions.

3. Develops and reviews broad company-wide corporate development procedures including guidelines for project selection by divisions and central departments, type of information to be presented in business plans, and criteria for project endorsement by the Corporate Development Committee.

4. Analyzes regularly the corporate position in the existing world economy and defines key issues crucial to the company's long term profit growth.

5. Prepares, and renews annually, a ten-year plan with alternates for the corporation to channel company resources toward achievement of established growth objectives.

6. Reviews the growth plans prepared by the divisions and central departments, subsidiaries, associated and other companies; where necessary recommends to the president modification to ensure agreement with established corporate growth objectives.

7. Reviews in detail and recommends action to the president on the entire program, operating budget, and profit objectives of the New Enterprise Division.

8. Advises the president on corporate organization structure needed in light of established growth objectives and related growth plans.

9. Ensures provision of opportunities within the company for encouraging and developing entrepreneurially oriented management personnel.

10. Analyzes for the president the total research, development and related technical budgets of the corporation.

11. Studies and considers as requested or assigned new ventures including acquisitions; reviews and endorses project programs and budgets prepared by New Enterprise Division for each new undertaking.

12. Recommends to the president termination of unsatisfactory venture programs and businesses.

13. Requests from concerned operating divisions and the controller reports of actual financial results experienced compared to estimates used in the economic justification of capital projects in commercial operation of one year or more. Reports results of such performance success to the president.

CORPORATE DEVELOPMENT COMMITTEE

Edward J. Bock, Chairman

Harold H. Bible	Edwin J. Putzell
John L. Christian	Charles H. Sommer
John L. Gillis	Monte C. Throdahl

John N. Ehlers, Secretary

Monsanto
COMPANY

EXECUTIVE COMPENSATION COMMITTEE

Reports to: The Board of Directors

FUNCTIONS

1. Studies and recommends to the Board of Directors establishment and/or modification of executive compensation plans and programs including salaries, bonuses, stock options and other incentive compensation, retirement and other benefits, to insure that the company maintains a competitive position, attracts and retains individuals of exceptional ability and provides for motivation of such personnel.

2. Keeps cognizant of the established company wage and salary plan structure, guidelines and procedures.

3. Approves programs and procedures for the administration of executive incentive compensation plans approved by the Board of Directors.

4. Recommends to the Board of Directors all company officers salaries.

5. Authorizes under company incentive plans grants to officers, and after recommendation by the President, to employes, and reports summary of such grants semi-annually to the Board of Directors.

6. Reviews periodically performance reports of all company executive compensation programs it causes to be developed and reports to the Board of Directors as to performance of the programs outlined in (1) above.

7. A secretary shall be appointed and all actions and proceedings of the committee shall be recorded.

EXECUTIVE COMPENSATION COMMITTEE

Charles A. Thomas, Chairman
Dillon Anderson D. R. Calhoun

E. W. Dwyer, Secretary

Monsanto
COMPANY

MANAGEMENT DEVELOPMENT COMMITTEE

Reports to: The Board of Directors

FUNCTIONS

1. Reviews and analyzes company management development programs as related to (a) development of an adequate reserve of competent, effective executive personnel. (b) methods for attaining such competence, (c) organization structure and management practices for the Chairman, the President, and the Board of Directors.

2. Reviews plans for management succession, particularly in senior and middle executive ranks.

3. Acts in an advisory capacity to executive management in the consideration of important personnel matters.

4. Reports and makes recommendations to the chief executive officer in connection with the foregoing and related matters not less than two times a year.

5. A secretary shall be appointed and all actions and proceedings of the committee shall be recorded.

MANAGEMENT DEVELOPMENT COMMITTEE
Herbert Hoover, Jr., Chairman
Fredrick M. Eaton   Edward A. O'Neal
Charles H. Sommer

AUDITING COMMITTEE

Reports to: Board of Directors

FUNCTIONS

1. Studies and makes recommendations to the Board of Directors with respect to auditing policies and practices.

2. Reviews annually the company's internal auditing programs and procedures with the president.

3. Recommends annually to the Board of Directors the selection of independent auditors.

Monsanto
COMPANY

AUDITING COMMITTEE

Fredrick M. Eaton, Chairman
James S. Rockefeller   Charles Allen Thomas

GOVERNMENTAL AFFAIRS COMMITTEE

Reports to: President

FUNCTIONS

1. Establishes policies and priorities for administration of the company's activities in dealing with governmental and legislative matters.

2. Serves as a clearing house for keeping current on all significant activities and interests of all divisions, subsidiary and affiliated companies, and staff departments in the governmental and legislative area.

3. Arranges to keep appropriate members of the organization informed of the company's policies, activities and interests in the governmental and legislative area.

4. Reviews and recommends requests in its area for contributions for non-charitable, non-educational organizations or programs.

GOVERNMENTAL AFFAIRS COMMITTEE

John L. Gillis, Chairman
James H. Crow, Jr.   Edward A. O'Neal
Patrick J. Dowd   Edwin J. Putzell, Jr.
Dan J. Forrestal   L. Edward Stone, Jr.
James D. Mahoney

Sam Pickard, Secretary

Monsanto
COMPANY

BUDGET COMMITTEE

Reports to: President

FUNCTIONS

1. Assists the president in developing and implementing the company budgetary control plan.
2. Provides assistance in the preparation of overall budgets objectives and desired budget limitations.
3. Reviews, recommends changes and approves proposed budgets in the light of budgetary objectives and limitations.
4. Carries out other assignments regarding the corporate budget as may be delegated by the president.

BUDGET COMMITTEE

Edward J. Bock, Chairman

H. H. Bible
John L. Christian
John L. Gillis
Finis Morgan
Edwin J. Putzell
Charles H. Sommer
Monte C. Throdahl

Lewis F. Steinbach, Secretary - Francis A. Stroble, Alternate Secy.

SALARY COMMITTEE

Reports to: President

FUNCTIONS

1. Studies and makes recommendations to the president concerning the company's salary plan and compensation policies.
2. Reviews and approves salary recommendations for company personnel earning $22,500 per year or more.
3. Administers the company's salary administration program.

Monsanto
COMPANY

SALARY COMMITTEE

William B. Daume, Chairman
Harold H. Bible
John L. Christian
John L. Gillis

William I. Tierney, Secretary

RETIREMENT PLAN COMMITTEE

Reports to: President

FUNCTIONS

1. Formulates, recommends and administers the policy of the company pertaining to retirement and group insurance plans for all employes.

2. Approves retirements and payments of pensions under the plans.

3. Reviews all cases of total and permanent disability; approves payments of salaries to ill and disabled employes.

4. Approves for equitable treatment any salary payments to employes recommended by general managers after the first six months of illness or disability.

5. Recommends amendments to pension plans and presents them to the Executive Committee for its consideration and approval.

6. Makes decisions with respect to questionable pension data, such as hiring dates and credited service.

7. Reviews and approves any deferments of employes who qualify and apply to work beyond age 65.

8. Reviews and approves contracts for retaining the services of retiring or retired employes on a retainer-fee or consultant-fee basis.

RETIREMENT PLAN COMMITTEE

William B. Daume, Chairman
Harold H. Bible
Rodney Harris, Jr.
*Patrick J. Dowd
Thomas K. Smith
William I. Tierney

Albert B. Hughes, Secretary

*Alternate, Norvel G. Jones

Monsanto
COMPANY

HEADQUARTERS SITE ADMINISTRATION COMMITTEE

Reports to: President

FUNCTIONS

1. Establishes policy for administration of office facilities and for the development of the headquarters site.

2. Authorizes, as required, off-site company office facilities in the St. Louis area.

3. Sets standards, reviews and approves requests for accommodations at the headquarters site to assure conformance with design criteria and standards for space allocation.

4. Has responsibility for a long-range site development program as a guide for control of future land acquisition and land use in coordination with Central Engineering Department.

HEADQUARTERS SITE ADMINISTRATION COMMITTEE

William B. Daume, Chairman
Harold H. Bible, John M. Depp, Jr., John R. Eck

Clarence E. Franke, Secretary

CORPORATE MEMBERSHIP COMMITTEE

Reports to: President

FUNCTIONS

Formulates and recommends policies concerning company memberships in order to equate expenditures with value received.

CORPORATE MEMBERSHIP COMMITTEE

John L. Gillis, Chairman
Harold H. Bible — Finis Morgan
Dan J. Forrestal

Robert F. McCoole, Secretary

INTRODUCTION

EXECUTIVE SECTION

The president, as chief executive officer, reporting to the Board of Directors is responsible for directing all operations of the company and optimizing the resulting profit. The company carries out its purpose and objectives through a concept of general, decentralized operations with centralized coordination and control. The president assigns profit accountability to the division general managers for their respective operations and assigns specific spheres of interest to several general executives and group executives who advise and assist the president in discharging his overall responsibility. It is desired that management personnel of Monsanto be familiar with the relationships of these executives to the management of the operating divisions and the central departments.

Responsibilities of these executives fall into three categories:

> First, they advise and assist the president of the company and other members of management in their respective spheres of interest and/or specific assignment.
>
> Second, they assist the president in their assigned spheres of interest by exercising responsible and accountable leadership to the management of divisions and departments in a manner to best serve the company's objectives. Their authority may be line or staff as circumstances or delegation dictate.
>
> Third, these executives are responsible for noting the need and making recommendations for establishment of policy or modification of policy. They serve as the focal point for policy formulation in their respective spheres of interest.

General executives and group executives have broad company interest. They concern themselves with surveying company performance and making recommendations for improvements without impinging on the authority and responsibility vested in the division general managers and central department directors for performance.

Monsanto
COMPANY

POSITION DESCRIPTION

POSITION TITLE Chairman of the Board of Directors

REPORTS TO Board of Directors and Shareowners

FUNCTION

Presides at all meetings of the Board of Directors and of the shareowners, except such as under the law must be presided over by the president or a specially appointed chairman. Keeps in constant touch with the company's business and informs the members of the board of current results and prospects. Consults with and advises the president on all major company matters prior to definitive action regarding proposed changes in established policies of the company or inauguration of any new policy. Provides advice, counsel and assistance on problems of unusual importance that may arise under existing policies.

Carries primary responsibility for relationships with shareowners and the financial community. With the president, keeps them informed on matters of policy, major operational changes and financial matters approved by the Board of Directors.

Provides counsel and assists with implementation of the total commercial development efforts of the company.

DUTIES

1. Gives guidance to board and Executive Committee and Corporate Development Committee members; provides advice and counsel to the president on policy and organizational matters.

2. Provides liaison between directors and executive management during the interval between meetings of the board.

3. Requests aid and receives information of directors in special undertakings.

4. Ensures that members of the board are knowledgeable about industry and company matters in all areas of interest and opportunity.

5. Maintains relationships with governmental representatives and the financial community and works with the president in carrying out this responsibility.

6. Serves as the principal executive officer in maintaining continuing relationships with shareowners. Ensures that the proper corporate image and effective public relations are used in maintaining favorable shareowner relationships.

POSITION TITLE: Chairman of the Board of Directors

7. Confers with the president regarding all recommendations which the president desires to bring before the Board of Directors.

8. Assists in maintaining relationships with major customers at the request of the president.

9. Provides functional guidance, implements and continuously reviews the following:

   a. Preparation and distribution of the Annual Report;

   b. Approval and distribution of the unaudited Quarterly and Preliminary Annual Reports as issued by the president;

   c. Establishment and the fostering of relationships with the financial community in conjunction with the president;

   d. Coordination of the company's worldwide financial policies, plans, programs and requirements.

   In these areas, advises and assists appropriate Central departments, including Finance, Law, and Public Relations.

10. Provides counsel, advice, assistance and implementation of efforts in commercial development areas and in the search for new venture opportunities and enterprises.

11. Serves as the chairman of the Board of Directors and on the Executive, Corporate Development, Budget and Management Development Committees. Per the corporate By-laws, serves as an ex-officio member of all other standing committees of the Board of Directors.

Monsanto
COMPANY

POSITION TITLE: President

REPORTS TO: The Board of Directors

FUNCTION

Serves as chief executive officer of the company and is responsible for direction of the total worldwide business entity. Implements all orders and resolutions of the Board of Directors. Directs the development of major policies to govern the operations of the company and carries responsibility for the profit attainment established in the company's plans and objectives. Manages all resources of the company to achieve established profit objectives; provides executive leadership in planning, organizing, and measuring the progress of the company toward established objectives. In the absence of the chairman of the Board of Directors, presides at meetings of the directors and shareowners.

DUTIES

1. Ensures with the assistance of the Executive Committee and Corporate Development Committee that specific policies, programs, and methods are designed, planned and implemented to carry out the general policies and attain the business objectives established by the Board of Directors.

2. Acts on requests for capital appropriations and requests for retirement of fixed assets for amounts not to exceed $1,000,000 per item, and in an aggregate amount of not more than $2,500,000 per month over the calendar year.

3. Makes recommendations directly to the Board of Directors on utilization of company funds, expenditures of new facilities involved, capital expenditures of over $1,000,000, new investment opportunities, retirement of facilities, and on general policies and on business objectives.

4. Approves personnel policies for the company; determines programs for executive development and approves the selection and promotion of the executive personnel. Establishes rates of remuneration and total compensation for all company employes and delegates implementation as necessary.

5. Approves worldwide public relations policies for the company.

6. Keeps the Board of Directors informed on the condition of the business and on all important factors influencing it and, in intervals between meetings of the Board of Directors, consults with the Executive Committee on matters requiring authority of the Board of Directors or of special interest to it.

POSITION TITLE: President

7. Analyzes and appraises regularly and systematically the effectiveness of company operations; causes post-project performance appraisals to be made of capital addition programs; ascertains that full advantage is taken of all opportunities to further the long-range goals of the business; ensures that basic policies as established by the Board of Directors are observed.

8. Causes to be executed certificates of stock, bonds, mortgages and other contracts requiring a seal under the seal of the corporation unless required by law to be otherwise signed and executed and unless the signing and execution shall be expressly delegated to some other officer or agent of the company by the board.

9. Delegates financial and executive authority to subordinates to carry out their responsibilities and objectives and ensures that appropriate limitations of their authority are defined and clearly understood.

10. Creates such committees as may be necessary to assist the president in the discharge of his responsibilities.

11. Represents the company as chief executive officer in external relationships with counterparts in industry, with governmental agencies, with the public in general, shareowners, and employes.

12. Designates the areas of interest in which members of the Executive Committee and Corporate Development Committee will represent the Office of the President.

13. May delegate to others appropriate portions of his responsibilities together with authority necessary for fulfillment, but he may not relinquish his responsibility and accountability for results.

14. Serves as chairman of the Executive Committee, Budget Committee, and Corporate Development Committee and is a member of the Board of Directors. Per the corporate By-laws serves as an ex-officio member of all other standing committees of the Board of Directors.

Monsanto
COMPANY

POSITION DESCRIPTION

POSITION TITLE Senior Vice President, Operations

REPORTS TO President

FUNCTION

Assists the president and is responsible for the general supervision of the results, performance and the coordination of the worldwide businesses and all related activities of the company's operating divisions and the International Division. Works with group vice presidents to develop group and division overall business activities in a manner that will achieve the profit results and growth required to meet company objectives and sees that standards of performance are properly set and maintained. Provides leadership, advice and counsel such that the divisions function autonomously and with optimum delegations of responsibility and authority as to performance and results consistent with company goals, objectives, policies and procedures as established by the Board of Directors and the president. Integrates divisional group's activities to ensure that all efforts are coordinated to obtain targeted results and objectives. Ensures appropriate communication and cooperation between the groups, the divisions and the central departments and sees that central department services are properly and effectively utilized by division management.

DUTIES

1. Exercises leadership in coordinating, evaluating and implementing division short and long range plans, goals, objectives and budgets including capital investment plans and programs to ensure a continuing favorable corporate competitive position with satisfactory rate of return on committed capital.

2. Establishes manufacturing performance criteria and policy for costs, quality, quantity and safety in conformance with overall corporate objectives and policies.

3. Establishes marketing performance policy and criteria to judge effectiveness of the marketing operations in conformance with corporate objectives and policies; coordinates marketing management with senior vice president, commercial.

4. Reviews and endorses rate of expenditure and level of effort for operating division groups in technical research and development activities; ensures coordination with corporate research and development plans and objectives; coordinates R & D management with and through the vice president, technology.

Monsanto
COMPANY

POSITION DESCRIPTION

POSITION TITLE Senior Vice President, Operations

5. Reviews division group performance against plans; discusses with group and division management needs for corrective action.

6. Ensures that division groups provide adequate development of new enterprises in the divisions assigned to them to offset declines from maturing or obsolescent operations.

7. Recommends to the president abandonment of specific product, program or operations as circumstances warrant.

8. Ensures that operating know-how, unique techniques or systems from all divisions are applied to the company's domestic and foreign member company operations.

9. Provides for the effective administration of personnel policies and programs for the maintenance of sound personnel and industrial relations within the operating divisions. Reviews general managers' recommendations for key personnel replacements.

10. Maintains continuing contact with the president and with Executive Committee and Corporate Development Committee members with regard to assigned areas of interest; seeks advice, support and counsel on operational matters as required.

11. Serves as a member of the Board of Directors, Executive Committee and Corporate Development Committee; serves also as a member of the Budget, Retirement Plan and Salary Committees.

Monsanto
COMPANY

POSITION TITLE: SENIOR VICE PRESIDENT, COMMERCIAL

REPORTS TO: President

FUNCTION

Serves as a general executive of the company whose principal sphere of interest is related to domestic and international commercial activities. Coordinates for the president, provides counsel and keeps him informed about developments within his assigned sphere of interest. Informs, advises, counsels, guides and assists the operating divisions and central departments regarding developments in domestic and international commerce. Also heads governmental and civic affairs activities for the company.

DUTIES

1. Serves as principal executive counselor and advisor on commercial matters for formulation of company commercial policy.

2. Advises the president regarding domestic and international commercial developments.

3. Reviews company commercial posture worldwide and recommends courses of action to best serve the company goals and objectives.

4. Maintains relationships with the company's principal customers, prospective customers, and other major firms in Monsanto's areas of interest, in cooperation with the senior Vice President, Operations.

5. Coordinates the marketing programs of the divisions to ensure that the corporate interest is best served and mutual opportunities are exploited.

6. Promotes a climate within Monsanto for high motivation and innovation in marketing areas to stimulate the attainment of corporate goals and objectives.

7. Ensures that optimum presentation of the corporate identity is accomplished worldwide in the appearance of the company's advertising, publications and all other external communications with the company's various publics including customers, shareholders, employes, educators and all other groups of importance to Monsanto.

Monsanto
COMPANY

POSITION DESCRIPTION

POSITION TITLE Senior Vice President, Commercial

8. Appoints, where appropriate, regional staff executives whose activities augment and assist divisional marketing programs in their assigned areas.

9. Monitors economic trends and interprets their impact on the company's sales and marketing policies.

10. Coordinates and establishes programs for administration of the company's activities in dealing with governmental and legislative matters.

11. Serves as a member of Board of Directors, Executive Committee and Corporate Development Committee, Budget and Salary Committees, and as Chairman, Government Affairs Committee.

Monsanto
COMPANY

POSITION DESCRIPTION

POSITION TITLE Assistant to the President
Secretary, Executive Committee
Secretary, Corporate Development Committee

REPORTS TO President

FUNCTION

Assists the president in the discharge of his responsibilities as chief executive of the company; performs such duties as he may assign, including supervision of special projects relating to the affairs, programs and activities of the company. Coordinates company-wide, for the president and the Corporate Development Committee, activities for initiating and implementing projects, studies, investigations and programs relating to evaluation of entry into new businesses and company future business development plans. Coordinates policy and policy procedure preparation and the control of the preparation and distribution of the management guide; acts as liaison with various elements of the company and executives and keeps the president informed on specific subjects and developments; serves as secretary of the Executive and Corporate Development Committees.

1. Assists the president in performing such duties and assignments as he may request.

2. Prepares proposals and reports for the president's presentation to the Board of Directors and Executive and Corporate Development Committees; reviews and makes recommendations to the president on miscellaneous reports and proposals.

3. Serves as liaison with and between executives and the company's divisions, subsidiaries and affiliates as requested by the president.

4. Coordinates the preparation or revision of the company's policies and policy procedures for submission to the president and Corporate Development Committee; arranges for interpretation of approved policy where such action is required.

5. Carries out organization planning as needed in light of corporate development plans and programs.

6. Serves as secretary of the Executive Committee and Corporate Development Committee and other committees designated by the president and supervises related staff work.

7. Monitors actions and decisions taken by the Executive Committee and Corporate Development Committee and advises the president and involved Committee members of the status of their implementation.

POSITION TITLE Assistant to the President
Secretary, Executive Committee
Secretary, Corporate Development Committee

8. Provides staff support in correlating corporate industrial information, objectives and plans with the short and long range plans of divisions and departments; analyzes the commercial plans needed and proceeds with their implementation; evaluates and reviews all growth plans in light of established company goals and objectives.

9. Organizes specific study groups and task forces, where approved by the president, to investigate given new venture areas of possible interest to the company.

10. Arranges for economic studies and commercial evaluation pertaining to new business areas, products or product lines; applies innovative techniques in outlining alternate business and development plans; studies low return products in existing product lines, as assigned, and develops possible options for consideration.

11. Carries out continuous liaison among commercial development organizations in the divisions; keeps abreast of division and department plans and progress involved with commercial development/new venture undertakings.

12. Evaluates corporate long-range plans in light of established business objectives as set by the president and the board; analyzes the commercial plans needed and proceeds with their development.

13. Edits and publishes the Corporate Development Plan for the president.

14. Coordinates the preparation or revision of the content of the Management Guide and controls related publishing, maintenance and distribution activities.

15. Keeps informed on specific subjects and developments within the company, including the plan of organization and contemplated revisions; brings significant matters to the attention of the president.

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POSITION DESCRIPTION

POSITION TITLE GROUP VICE PRESIDENT

REPORTS TO Senior Vice President-Operations

FUNCTION

Provides responsible and accountable worldwide leadership for results of activities, functions and operations including among others, research, commercial development, manufacturing, marketing and short and long range planning of divisions assigned them; coordinates, guides and analyzes the divisions' planning activities, formulation of goals and objectives as to and for consistency with company policies, goals and objectives as established by the Board of Directors and the president. Exercises optimum delegation of authority, responsibility and accountability for operation of assigned areas. Assists the Senior Vice President-Operations in the formulation of overall company policies, goals, objectives and plans.

DUTIES

1. Exercises leadership, directs and is responsible and accountable for operations and the formulation of objectives, plans and programs for assigned divisions to better penetrate and develop profitable businesses. Induces inter-division group synergism to create new and improved profit opportunities through new combinations of the company's product, market and technical strength.

2. Initiates and provides counsel and direction for evaluating alternate courses of action pertaining to existing and new world wide businesses, for defining solutions to problems including low return businesses or operations and obsolete facilities, as well as the use of new technology or new innovative techniques.

3. Establishes standards of operating and profit performance which reflect the goals and objectives of the company and the need for continuous improvement in managing all the activities within the assigned divisions.

4. Initiates, encourages and personally participates in the development of accepted and innovative customer business relationships and contacts to insure that company interests are best served.

5. Insures appropriate communication and cooperation between the central departments and assigned operating divisions and seeing that the services are properly and effectively utilized by the division management.

6. Reviews, endorses, coordinates and monitors:

   a. long range plans, goals and objectives to ensure that they are properly prepared and directed towards the overall goals and objectives of the company established by the Board of Directors and the president,

   b. short term, annual and 3-year plans and objectives to ensure that they are properly prepared and represent optimum division capability; cause corrective action to be taken in all cases where actual operating variance from plans indicate such action is necessary,

   c. all facility and capital investment plans to ensure that they are properly prepared to reflect the manner in which both a favorable competitive position and a satisfactory rate of return on investment will be achieved and maintained.

7. Reviews division performance against plans, utilizes central department services in reviewing performance when advisable, discusses with division management the need for corrective actions and follow-up steps necessary to improve performance.

8. Reviews, endorses, coordinates and monitors introduction of major programs or services; ensures that the assigned divisions provide adequate research, development and introduction of new programs or services to offset declines due to maturing or obsolescent operations, and also to broaden each division's profit base by sound and competent development of its activities.

9. Reviews periodically the status of all division major programs, identify and endorse abandonment of specific programs when advisable and within company plans and objectives.

10. Ensures that operating expertise from the assigned divisions is applied to the company's domestic and foreign member company operations.

11. Provides for the effective administration of personnel policies and programs for the maintenance of sound personnel and industrial relations within the assigned divisions. Reviews General Managers' recommendations for key personnel replacements.

12. Maintains continuing contact and viable communications with the Chief Executive Officer, Senior Vice President-Operations, Corporate Development Committee members and other Group Vice Presidents with the purpose of effectively implementing company policies, goals and objectives.

INTRODUCTION

OPERATING DIVISIONS

The division general managers report to a group vice president, who reports to the senior vice president, Operations and are responsible for and have authority over their assigned division. The scope of operating divisions in Monsanto is set out in the position description presented in this section for the general managers. The principal responsibility is maximizing the return on assigned capital in both present and future operating periods.

In discharging this responsibility, general managers are expected to:

Direct division efforts in accordance with established company policies and for the attainment of division and company goals and objectives.

Develop the required short- and long-term strategies that will establish the needs for manufacturing, marketing and related technical effort in current product lines.

Plan and direct those efforts essential to future profitability of the divisions involving new markets, new projects, and unrelated new products and services, recombination of existing products, and greater penetration of existing or future markets.

Implement the worldwide concept of divisional responsibility for assigned product lines.

Strive for inter-division synergism to create profit opportunities through new combinations of the company's product, market and technical expertise.

Establish fixed and working capital requirements through approvals of higher management for both domestic and international operations.

Use the specialized skills and knowledge of their staffs and the assistance and support of central departments in the conduct of divisional operations.

OPERATING DIVISION/CENTRAL DEPARTMENT RELATIONSHIPS

Monsanto's general concept of organization is based on decentralized operations within the framework of central coordination and control.

Line organizations are responsible for carrying out those operations necessary to achieve the required profit objectives for assigned products. Broadly, these operations include production, technical and marketing functions.

Central department organizations are responsible for providing professional and specialist skills to serve both the corporate entity and the line organizations.

Relationships between line and staff types or organizations depend upon the duty which each owes to the other and not upon the authority of one over the other.

Since each operating division constitutes an entity with its own service organizations, the relationships between the divisions' service and staff organizations and those of the central departments require coordination in harmony with the operating prerogatives of the general managers.

The following criteria govern such relationships:

Division Management

Provides general supervision of the divisional staff and service organizations.

Recommends functional policy considerations in keeping with division needs.

Sets goals for attainment in keeping with division requirements.

Approves divisional staff and service organizations' plans and programs.

Approves divisional staff and service budgets and personnel expenses.

Assures effective utilization of divisional staff at all levels within the organization in keeping with functional directives of the central departments.

Judges performance for the division.

Consults with the appropriate executive in central department on:

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POSITION DESCRIPTION

POSITION TITLE Division General Manager* - Common Responsibilities

REPORTS TO Group Vice President

FUNCTION

Serves as chief operating officer of the division with responsibility and accountability for worldwide product, profit and growth. Directs the affairs of the division to effect optimum return on capital assigned to the division. Develops, implements and maintains worldwide product strategies for the division. Directs the development of long-range planning programs to improve and expand present products and to develop new products, processes and markets. Ensures that divisional activities conform to established company policies and procedures. Develops organizational plans and management to achieve the division's objectives. Reports primarily to a group vice president from whom assistance, counsel and guidance are sought and to whom recommendations are made concerning division activities.

DUTIES

1. Establishes division product, market and profit objectives and plans for their attainment.

2. Assures maximum long-range return on division total fixed and working capital investment.

3. Develops operating and capital expenditure budgets for review by the concerned group vice presidents, senior vice president, Operations and by the president. Acts on capital appropriations and other expenditures within delegated limits of authority.

4. Determines the division's organizational structure and internal delegations of authority; recommends appointment or changes in top division management personnel to the concerned group vice president.

5. Evaluates the division's performance against objectives; initiates necessary remedial action.

6. Administers personnel policy and program to maintain good labor relations, to provide for the development of competent managerial personnel, and to ensure an effective work force.

7. Ensures division's compliance with approved company policies and implementation of corporate procedures as they apply to the division.

* Except for International Division.

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POSITION DESCRIPTION

POSITION TITLE Division General Manager - Common Responsibilities

8. Establishes effective communications channels for information reporting including frequency of reports, scope and format.

9. Reviews and authorizes programs in research and technical development and attendant patent activities for the improvement of existing products and development of new related products and processes. Clears major technical programs for the division with the vice president, Technology to avoid duplication of corporate effort.

10. Approves the manufacture of new related products and modifications to existing products; arranges for toxicological clearance by the director of Medical Department prior to adoption.

11. Represents the division in relationships with customers, suppliers, competitors and other outside organizations as appropriate.

12. Establishes worldwide marketing strategies with the assistance of the International Division.

13. Approves plans and budgets for merchandising and advertising; solicits assistance on these matters involving major marketing programs of the senior vice president, commercial and coordinates such plans and budgets with the Advertising and Market Development Department for maximum overall corporate benefit.

14. Keeps informed of latest developments in technology and business activities of competitors and other developments affecting division business.

15. Approves capital appropriations for projects, replacement, retirement of assets, obsolescence, overruns or changes in scope within delegated limits of authority; refers those above delegated limits to the senior vice president, Operations and the president.

16. Manages those financial aspects of division operations with regard to credit and working capital within delegated limits.

17. Executes certain deeds, leases, contracts and instruments of conveyance; signs checks, drafts and orders for payment of money as provided by board resolutions and recommends to the concerned group vice president and to the president those actions beyond the delegated limits of authority.

18. Ensures the use of approved safety devices, practices and procedures and the safe condition of all physical facilities assigned to the division.

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POSITION DESCRIPTION

POSITION TITLE General Manager, International Division

REPORTS TO Senior Vice President, Operations

FUNCTION

Serves as the company's chief executive responsible for reporting and coordinating the profitability of Monsanto's business interests in Europe, Canada, Australia, Japan, Latin America, and other ex-United States areas and is responsible for safeguarding corporate investment in the ex-United States affiliates for profitable growth in these economic environmental areas of the world.

DUTIES

1. Directs the activities of the division as a business management group knowledgeable and sensitive to rapid changes in world areas.

2. Establishes business plans and objectives for the several ex-United States economic areas, thereby guarding against unilateral product line action which would adversely affect Monsanto's economic area interests.

3. Provides unified action within national and geographic trading areas via business management direction to ex-United States activities; supports and aids the product direction provided by the operating divisions or the Corporate Development Committee through maintaining area management structures which permit the operating divisions to carry out their product responsibilities in ex-United States areas.

4. Assists concerned divisions in the development and implementation of centrally controlled strategies for products, international customers, and world markets. Assists in determining need for new or modified strategies in ex-United States areas and aids concerned divisions as necessary, to permit completion and updating of required strategies.

5. Establishes broad guidelines and major procedures vital to the successful achievement of assigned international objectives.

6. Collects, correlates, monitors, and disseminates broad knowledge of all company activities outside the United States to ensure against unilateral action that could adversely affect company worldwide interests.

7. Directs, and/or monitors, export marketing activities as an extension of operating division marketing.

POSITION TITLE General Manager, International Division

8. Brings central departments into full participation in ex-United States activities without duplication of effort.

9. Supplies to concerned operating divisions the pertinent data required for preparing capital appropriation requests for ex-United States product line investments; reviews the resulting appropriation requests for concurrence and approval before their submission to the president.

10. Assists responsible operating division with preparation of capital appropriation requests for ex-United States manufacturing sites, plant services and utilities, and site development projects as appropriate to the company's product plans and co-signs the requests.

11. Ensures the provision of technological, manufacturing, and marketing expertise and support for ex-United States operations from the appropriate divisions and central departments.

12. Provides broad and essential ex-United States economic, political, and cultural intelligence.

13. Seeks out and identifies expansion or new marketing opportunities abroad; provides background data on economic climate, governmental aspects, currency stability, labor market conditions, cultural factors, and uniqueness of business conditions in the general marketing area.

14. Plans, coordinates and provides for the development of personnel to assure optimum contributions of individuals regardless of their country of national origin.

15. Establishes new corporate entities ex-United States utilizing and coordinating the expertise of corporate departments and operating divisions.

Monsanto
COMPANY

INTRODUCTION

CENTRAL DEPARTMENTS

The president, as chief executive officer, has delegated certain functional responsibilities inherent in his office to the central departments. The directors of the central departments are accountable to the president for the proper fulfillment of these delegated responsibilities.

The mission of the central departments in Monsanto is to augment, protect, and enhance the return on investment by bringing to the corporate entity the professional and specialist skills required as adjuncts to and support for the manufacturing, technical, and marketing expertise of the operating divisions.

In carrying out their proper roles, all central departments are concerned with the following five general types of activities. The intrinsic nature of the type of activity influences its effect on the total company.

Each central department is concerned with:

Statutory Matters - Examples of which are those involving policy formulation; compliance steps with governmental, legal, patents and trademarks, and/or tax requirements; establishment of standards of performance or controls within delegated functional areas. Where statutory matters are concerned, the recommendations from the central departments are binding upon the company following executive approval.

Service Matters - Those involving responses to the president, members of the Corporate Development Committee, to the operating division and other central department management for specialized assistance. It is incumbent upon the central departments to satisfy such requests made in the normal course of business operations.

Advisory and Guidance Matters - Those wherein the central departments suggest or recommend courses of action or alternates for consideration to concerned executives and the operating divisions. Acceptance or rejection of suggestions, or selection of alternate courses of action in these areas is wholly a responsibility of the division, department, or group served.

Coordination - Those actions necessary to ensure a consistent functional approach and consistent functional image both within and outside the company. These actions closely parallel policy considerations.

Specifically Assigned Matters - Those where specialized competence or economics resulting from centralization of effort dictate their assignment to the various central departments. Examples of these areas are salary payrolls, publication of a company magazine, and engineering services.

Central departments, within their areas of specialized competence, are responsible for policy formulation and recommendations. Overall corporate interests require that policies be developed with the guidance of the various division general managers and other executives concerned.

Essential to success in the proper working relationships of the central departments with the operating divisions is (a) an appreciation of the varying nature of departmental activity noted above and (b) a continuing awareness of dissimilarities among the various diverse types of businesses in which Monsanto is engaged in its operating divisions. Continuous communication between the divisions and departments ensures an environment in which the skills and specialties of the departments can be put to optimum benefit of the total corporation.

GENERAL POLICY STATEMENTS

Establishment of the Board of Directors

The Board of Directors, fourteen in number, is elected by the share-owners to whom the board is responsible for managing the property and the business of the corporation.

Individuals who are or have been president of the company, as well as directors who are not officers or otherwise employed by the company, are eligible for continued service as directors until they reach 70 years of age. All other directors must retire from the board upon reaching age 65.

A general manager of a division or director of a central department may not simultaneously serve as a member of the Board of Directors.

The secretary of the company is secretary of the board.

Establishment and Attainment of Company Objectives

The Board of Directors establishes broad objectives and goals with responsibility for attainment vested in the president as chief executive officer. The president, in turn, delegates portions of his overall authority to the company's vice presidents, general managers and central department directors.

Establishment of Company Policy

The Board of Directors determines and sets broad policy governing the establishment of business and investment activities.

The Executive Committee by delegation from the Board of Directors, subject to final review by the board, exercises the powers of the Board of Directors between board meetings, except where specific authority has been otherwise delegated or in matters retained by the Board of Directors. The president recommends to the Board of Directors definitive policy concerning the implementation and control of the company's overall operations.

The president formulates and recommends to the board specific policy, as necessary, and administers established policy.

The executives of the operating divisions and central departments recommend to the president company-wide policy in keeping with their professional specialties and assigned product and market responsibilities.

Management at all levels is responsible for knowledge of and adherence to established policy and for keeping subordinates informed regarding policy affecting their operations.

The Management Guide is the principal corporate document through which the company policy is communicated to all levels of management.

Organizational and Operating Concepts

The company is structured on the basis of line and staff organizations. Line represents those organizational elements concerned with product manufacturing, technology and marketing. Staff is centralized and represents the professional and specialty functions required to service and support both the line elements as well as the total corporate entity. Extensions of the central departments are placed in the line organizations to render immediate service and support.

In addition to the vertical concepts of organization cited above, organization may be structured to undertake special approved projects. Under the total commitment approach, the needed line and staff strengths are assembled on given undertakings and become accountable for performance to the executive charged with project or program success.

The company strives for organizational order with sufficient flexibility to meet changing business conditions as they occur. The company attempts to give capable, responsible individuals maximum freedom to contribute to Monsanto's profits and growth within the framework of corporate policy and organizational order.

Establishment of Committees

The Executive Committee is the principal permanent committee set up by the Board of Directors. Other committees are formed by the Board of Directors, the Executive Committee or the president for special purposes or as deemed necessary for the effective operation of the company.

Committees are composed of executives and other members of management elected or appointed to operate as entities within delegated authorities and with the function of reviewing, evaluating and recommending specific courses of action on matters referred to them for study. Although committees play a significant role in assisting and guiding company operations, membership participation neither enlarges, reduces, nor takes precedence over the concerned individual executive's primary function and responsibility.

Shareowner Relations

The company strives to conduct its business in a manner which assures all shareowners an optimum continuing return on their investments.

Quarterly unaudited reports are supplied to all shareowners as well as an annual audited report showing the year's activities, earnings and financial status.

Shareowners who visit plants or offices are to be cordially received and accorded privileges to which they are entitled as owners of the company.

Formation of New Companies

The president approves the formation of new companies in which Monsanto or a subsidiary is to have ownership interest. The president submits his recommendations to the Board of Directors for action where the initial capitalization exceeds $100,000.

Management Guide

A Management Guide manual is prepared and maintained on an evergreen basis. Distribution is made to all salaried personnel who have appreciable management or supervisory responsibilities and all other employes with an established "need-to-know" within the company and subsidiaries. The Management Guide consists of, but is not necessarily limited to, the following main divisions: business principles, company policies, by-laws, organization and corporate procedures. Revisions and additions to and distribution of the Management Guide are coordinated and controlled through the office of the assistant to the president.

Organization Planning

Monsanto recognizes that organization structures of divisions and central departments may vary to reflect the individual functions of the various units of the company, but uniformity is desirable wherever possible. Proposed major organization changes and key position replacements are reviewed with the president or his delegate.

Organization Chart Policy

Organization charts are included in the Management Guide to provide current information on the company's organization. These charts include position titles, incumbents and reporting relationships generally for all positions reporting to the "director level." The arrangement of this information on the chart is designed for clarity and does not attempt to indicate position levels or their relative importance within the various organizations.

Subsidiary Management

Subsidiaries are those domestic and international companies in which Monsanto holds a controlling interest. Subsidiary management, while bound by varying laws, customs, rules and regulations, conduct their activities within the framework of overall corporate policy and procedures and in accordance with worldwide business programs.

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POLICY STATEMENT

Security of Company Information

The profitability of company operations and the welfare of all employes and shareowners, as well as the development of new products, formulae, processes and equipment have resulted from the diligence and intelligence of employes over the years. Each employe is responsible for preserving company trade secrets and confidential information against theft or unauthorized or inadvertent disclosure. General managers and central department directors are responsible for security of information throughout their organizations. Further security procedures are described in the Security Manual, Section F of the Management Guide.

Security Government Contracts AEC-DOD

Security and secrecy regulations prescribed by U. S. Government agencies including the Department of Defense and the Atomic Energy Commission pertaining to the company's contracts and agreements must be meticulously complied with. A corporate security officer in the Personnel Department is responsible for monitoring compliance at all Monsanto sites.

Ethical Conduct of Business

In its business relations, the company acts according to the dictates of ethical and legal principles, unquestionable honesty and complete fairness.

Compliance with Antitrust Laws

Vigorous competition is an essential element of a free enterprise system. The basic objective of the antitrust laws is to protect and preserve competition from unreasonable restraints, both in the United States and abroad, and it is Monsanto's policy to comply fully with such laws. This statement of policy has been issued to be sure that all Monsanto personnel, in the parent company and in all subsidiaries and associated companies, and particularly those in Marketing, are fully informed of and comply with Monsanto's policy in this regard.

The Law Department follows a practice of distributing memoranda and conducting seminars to explain basic antitrust rules to marketing and management personnel. Each such employe should at all times be familiar with these basic rules so he will know when a possible antitrust question exists.

Under American law, certain actions and agreements with competitors are unlawful per se (i.e., "in and of themselves") without regard to reasonableness from a commercial viewpoint or to their possible effect on competition, and the law provides severe criminal penalties for those who violate it. Such violations include agreements or understandings: to fix or control prices, including resale prices; to allocate products, markets or territories of customers; to boycott certain customers or suppliers; or to not engage in the manufacture or sale, or to limit production or sale in any product or product line.

Interdivision Sales Commissions

In some cases the sale of a product manufactured by one division is assigned to another division. Such assignment is based on advantages to the selling division such as completion of product line from the points of view of products offered and of selling policy. Such advantages are deemed a compensation to the selling division, and the producing division is required to pay a commission to the selling division which is no greater than the selling division's selling expense for the assigned product.

Consulting Services

Monsanto acquires the services of individuals or organizations to perform consulting-type services as the need arises. These services cover a wide range of endeavors and are normally used as a means of expediency to acquire specific talents, which are not readily available within Monsanto, or simply to have the unbiased opinion of an outsider.

In all cases where services of a consultant are used, a formal written contract or agreement is consummated between the consultant and an officer of Monsanto. The Retirement Plan Committee reviews and approves terms of proposed consulting arrangements with retiring and retired employes.

Agreements for scientific or technical consulting services are drawn up by the Patent Department. Contracts or agreements for all other consulting services are prepared by the Law Department.

A duplicate of the agreement executed by the consultant and an officer of the company is sent to the Law Department for safekeeping. A copy of the agreement is forwarded promptly to the secretary of the Executive Committee who maintains an evergreen central registration listing.

Since the work of outside technical consultants varies considerably, contract language is tailored to fit the particular situation. If Monsanto is buying information from a technical consultant, it must be determined whether the company can restrict the consultant in his revelation of the same information to anyone else. If services involve exposure to Monsanto trade secrets to be merged with technical additions by the consultant, it is necessary that an agreement be signed not to reveal or use the Monsanto information or the results of the consultant's work.

The technical consultant agreement includes a provision that the consultant, at the termination of his work or at any other time the company requests, returns any written, printed or other material given to him in connection with this work or prepared by him and embodying Monsanto trade secrets. The agreement specifically provides that there will be no duplication of any such material. Those negotiating such contracts endeavor to obtain agreement that additions, modifications, information, design and the like which the consultant renders to the company becomes the property of the company, and that the consultant not reveal or use this information except with the prior written consent of the company. As indicated, of course, any of the foregoing provisions depend upon the nature of the services to be rendered, but all of them are considered in the drafting of any agreement.

The business consultant agrees that he will not, directly or indirectly, use for himself or others or disclose to any third party, any trade secrets or confidential information regarding any business or accounting methods, manufacturing methods, cost or any other information revealed in confidence to him. The agreement also provides for the return of all written or printed material, either supplied to him or which he prepares during the course of his services, with the stipulation that he retain no copies.

Acquisitions and Joint Ventures

Monsanto's renewal and growth goals are based on several attributes* which describe the type of company we intend to become. In order to achieve its goals - i.e., a profit and growth leader, market oriented, innovative minded and technically sophisticated Monsanto's internal capabilities may require supplementing from outside sources in the form of acquisitions and/or joint ventures.

When joint projects require the formation of separate companies, it shall be Monsanto's preference to acquire controlling interest in such companies although it is recognized that such might not be possible for various reasons, such as policies, actions or regulations of foreign governments. However, each joint venture will be studied on its own merits and, even though controlling interest is preferred, and is usually required for new ventures in growth areas unrelated to present businesses, it is not intended that this preference will preclude consideration of a fifty percent or a minority interest.

The president, or his delegate from the Corporate Development Committee, is responsible for and oversees the corporate development activities of the company including all acquisitions of, and joint ventures with, other companies.

*"The Guide for Monsanto's Renewal & Growth", Corporate Development Plan for the Next Decade. August 15, 1968.

Specific policy regarding acquisitions and joint ventures:

A. A prerequisite for consideration of any acquisition or joint venture candidate, either on Monsanto's initiative or from an unsolicited source, is management approval in principle of a written business plan which indicates how such an acquisition or joint venture would contribute to profit growth. The plan, however short, shall be in basic agreement with the company's Corporate Development Plan and with the respective Division Charters & Objectives. It will also show the relationship and need for such an acquisition to round out the business. Such business plan has the endorsement of the Corporate Development Committee and is ultimately approved by the president.

B. No Monsanto representative has the authority to raise or discuss the subject of acquisition or joint venture with any outside company or party until clearance is specifically granted.

C. The president's delegate shall be informed by the appropriate division general manager or staff department director (i) before any contact is initiated by a Monsanto employe with any outside party involving discussions in which the Monsanto participant intends to express an interest in an acquisition or joint venture or (ii) immediately upon receipt of any unsolicited inquiry from any outside source concerning Monsanto's possible interest in an acquisition of, or a joint venture with, another organization. The president's delegate will then determine, (based on business plans and other information known to the Corporate Development Committee), whether additional clearance should be obtained in the particular case before such exploratory contact is made with the other party or source. He will determine which divisions should be consulted, if bona fide interest is not already known, for recommendations regarding their interest in the matter. Due regard will be given to the other company's products and the nature of its business, along with that of the division receiving the inquiry, and the broad interest of the New Enterprise Division. The president's delegate will then advise the general manager or staff department head whether the proposed discussions may be held, and the two will agree as to the individual who is to make the initial contacts.

D. In the case of telephone calls or other personal contacts from promoters or brokers, the caller should be requested not to disclose the name of the company, and the caller's identity should be furnished to the president's delegate; if Monsanto interest appears likely, the person making the inquiry will be asked to sign a suitable "protective" agreement to avoid company liability for unintended finder's fees, other compensation, etc.

E. In all situations, arising either from internal Monsanto plans or from outside solicitation, where it appears there could be a Monsanto interest, a "prediscussion" agreement shall be obtained from the other party to permit preliminary discussions to be undertaken and operating and financial data to be obtained without liability or obligations of confidentiality. In general, such discussions are to check the interest of the other party and then to exchange sufficient preliminary information to ascertain whether further discussions or negotiations are in order.

F. If, after review of the preliminary available information, the division general manager and the president's delegate consider that the proposed transaction merits serious consideration, they will agree upon those individuals who will serve as a team for evaluation and negotiation. In selecting such team, full recognition shall be given to the importance of including experienced staff specialists and appropriate division personnel. In situations of major importance, the president or his delegate may delegate to another corporate officer the responsibility for heading the acquisition or joint venture negotiations for Monsanto and for selecting the team, which will be responsible only to the team chairman for their performance thereon.

Prior to obtaining approval to negotiate, as set forth in paragraph G below, the team will have no authority to make commitments of any kind; it will only gather additional data such as that related to the management, products, financial matters, the competitive situation, technological background and the business attributes which make the proposed transaction of particular potential profitable value to Monsanto.

The information obtained will be reviewed -

a. by the Law Department for possible antitrust implications, for advice on alternative methods of structuring and handling the transaction, and on the terms and conditions that should be included in any proposal for Monsanto's protection,

b. by the vice president, Finance, for financial and tax implications, and

c. by the Patent Department for patent and technological implications.

G. Before any acquisition or joint venture proposal is made or any negotiations begin, and before any option or other commitment, stated or implied, is made, the appropriate division shall submit a summary and a recommendation through the president's delegate and obtain approval to negotiate. The summary shall contain a description of the proposed transaction, the underlying business plan (or a reference to a previously approved plan) and the comments and statements of the vice president, Finance, and of the Law and Patent Departments.

H. If approval to negotiate is granted, a thorough study will be made of the business, technical, legal, tax and financial aspects of the proposed transaction and a detailed proposal will be prepared as a basis for negotiations with the other party.

I. Every formal request for management approval of a proposed acquisition or joint venture must be submitted to the president in a form approved for such purpose.

If a proposed acquisition or joint venture involves a total expenditure of more than $1,000,000, the proposal will be submitted by the president with his recommendations to the Board of Directors for approval. If a proposed transaction involves a total expenditure of $1,000,000 or less, the president will determine the appropriate need for, the nature and timing of any contacts with the Board of Directors before he approves a commitment by the company with respect to the proposal. In any case, the president will advise the Board at its next meeting of any such proposal approved by him.

Attention is also called to other policy statements relative to acquisitions:

- Acquisition of licenses - D-II-11
- Handling of unsolicited suggestions from outside sources about knowhow, patents or technical information - D-II-11
- Compensation to outsiders for patents and technical information - D-II-12
- Procedures for acquisitions and joint ventures; an NED procedure.
- Acquisition of technology - D-IV-2
- Finder's fee - D-IV-3

Any exception to this policy is made only with the consent of the vice president, Administration.

E. Salary Committee Approval - Approval of the Salary Committee is required for any new employe to be hired at a starting salary of $22,500 or more per annum.

The president, upon recommendation of the Retirement Plan Committee, approves continued employment of any person beyond age 65 who is classified in salary level 19 or above.

F. Employe Agreements Covering Confidential Matters and Inventions - All salaried employes, as a condition of employment, are required to execute an employe agreement or contract. Certain nonexempt salaried employes having access to security sensitive information and all exempt salaried employes complete the Monsanto Agreement form. All other nonexempt salaried employes complete the Monsanto letter of agreement. Details of this policy are found in the Security Manual, Section F of this manual.

Employe Benefits

A. Cafeterias for Employes - Employe cafeteria facilities are provided at many company locations where food is served at the lowest possible cost. These facilities are expected to operate so that they neither lose money nor show a profit. Overhead charges, rent of quarters and facilities are not included in the costs.

B. Payments for Death in Line of Duty - In the event of the death of an employe arising out of, and in the course of, his employment, the company seeks to prevent undue financial hardships to the employe's family or dependents. The administration of this policy is discretionary with full responsibility vested in the Retirement Plan Committee.

C. Salary Continuance in Case of Death - Upon the death of a salaried employe, regular salary is continued for the pay period in which death occurred, plus one additional check for the next pay period.

Proposals to make death payments beyond the limits of the standard policy provision may be initiated by the division or department as warranted. Action in such cases will be approved by the Retirement Plan Committee.

D. Holidays - Except where otherwise required by state law, a maximum of nine holidays may be observed each year. Six specific holidays will be observed at all domestic locations: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. (In the case of Memorial Day another fixed holiday, as directed by local practice, may be substituted.)

Three optional holidays may be observed.

The decision to extend additional holidays (within the maximum of nine) to the salaried employes at any location is made only after careful review of local holiday practice.

If a holiday falls on Sunday, it is observed on Monday; a holiday falling on Saturday is observed on Friday.

Wage employes observe holidays in conformance to local practice or as specified in the appropriate union-management contract.

Further details covering holidays for salaried personnel are found in Personnel Administration Bulletin III.

E. Insurance and Pension Plans - Pensions, Group Life Insurance and Sickness and Medical Benefit Plans are provided to attract and hold competent employes and to assist in their general well-being, consistent with sound personnel relations, industry practices and subject to the ability of the company to provide such benefits on a long-term basis. The overall administration of the personnel and industrial relations aspects of these plans are the responsibility of the Central Personnel Department.

Financial aspects of employe benefit plans are the responsibility of the Treasury Department. New plans are not adopted nor significant changes made in existing plans without an evaluation of related financial implications by the Treasurer and the industrial relations implications by the director, Central Personnel Department and the presentation of such an evaluation to those responsible for the approval of the plan.

Further information on group insurance and medical benefit plans is found in Personnel Administration Bulletin I, and pension programs are described in booklets available locally.

F. Scholarships - Employes and children of employes are eligible for scholarships as provided by the John and Olga Queeny Educational Foundation. Details concerning the scholarship program may be obtained from the Central Personnel Department.

be granted during the vacation year in which employment anniversary falls.

Years of Service	Weeks of Vacation
1 to 5	2
5 to 10	3
10 to 20	4
20 to 30	5
over 30	6

Normally, vacations may not be carried over to another year. However, upon the specific authorization of the concerned supervision, vacation time may, under unusual circumstances, be carried over for one year. Employes may, with the approval of the concerned supervision, elect to split their vacations. Normally, a vacation should not be split into periods of less than one week.

Certain executives are granted vacations under the special provisions of the executive vacation program. Details of the vacation policy are contained in Personnel Administration Bulletin XII.

O. Vacations - Hourly Employes - In general, the employe receives two weeks of vacation after one year of service. However, local practice and provisions of union-management agreements determine vacation practices established for the location.

P. Vacation Pay - Employes may receive pay in lieu of vacation time in excess of two weeks only in those cases where it is in the overall best interest of the company for employes to work rather than take vacation. Details of this policy are contained in Personnel Administration Bulletin XII.

Compensation

A. Salary Administration - Employes are compensated fairly and adequately for work performed. The salary paid to any individual employe is based on the employe's duties, responsibilities and skills and on the quality of his performance, results, potential and other factors of value to the company.

The Salary Plan is designed to attract and hold high caliber employes, to stimulate and reward high level performance, to provide flexibility to fit individual circumstances, and to assure that salaries paid are competitive with, or better than, those paid by comparable companies for similar work in the community and in the industry.

As part of the Salary Plan, all salary positions throughout the company are properly described, evaluated and classified in accordance with the established evaluation plan.

The Salary Plan is administered uniformly by all divisions and central departments.

Salaries of $22,500 per annum or more require approval of the Salary Committee. Details of the Salary Plan are set forth in the Salary Administration Manual.

B. Wage Administration - Wages and job evaluation programs for hourly employes are administered locally.

C. Stock Option Plans - Stock option plans are authorized from time to time for the benefit of officers and employes of the company. Plans are established to give employes a greater stake in the company's success and additional incentive to promote its best interests. Details of these plans are on file with the corporate secretary.

D. Bonus Plan - Bonuses are intended as compensation in addition to base salaries to reward better than average performance; as such, it is not expected that all employes eligible for awards in terms of the criteria established by the Executive Compensation Committee will receive them.

Bonuses are intended to reward performance if company earnings warrant during a given year. Each eligible employe must earn the right to be considered for a bonus award each year on the basis of his performance during that year. Accordingly, individuals who have received awards in the past will not necessarily continue to receive them in all subsequent years.

The company may make special awards under the Bonus Plan in recognition of:

- -- an important invention or improvement,
- -- an unusually ingenious solution of a business or technical problem,
- -- perseverance or persistence of a character that results in important benefits to the company, or
- -- an accomplishment by an employe of a character considerably greater than that which might be expected of one occupying his position.

Position Titles

Position titles in the company are assigned to provide optimum identification of levels of responsibility, function and reporting alignment. Titles are established under the provisions of the Uniform Position Title Plan. Responsibility for the administration of this plan is delegated to the office of the director of Central Personnel Department. Proposed new or modified titles are submitted to division or department personnel representatives for approval prior to discussion of the proposed title with the affected employe.

terms of any related significant existing or proposed contracts. Such contracts include those for engineering and construction, utilities, purchase of raw materials, the sales of finished products, etc. The summaries must include a statement of any penalty provisions (such as "take or pay" or liquidated damages" clauses) included in the contracts and the maximum penalty expressed in dollar amount, the existence or absence of price protection clauses or price escalation clauses and a summary of any such clauses. (Procedural details covered in Controller's Bulletin 12-02.)

A. <u>Delegations of Authority</u>

The Board of Directors acting on recommendation of the president approves new projects involving expenditures exceeding $1,000,000.

The president is authorized to approve proposed expenditures for new projects representing capital additions, or replacements, including pre-project engineering and procurement expenditures, or project variances or overruns, not to exceed $1,000,000 for each such item, and not to exceed in the aggregate $2,500,000 per month averaged over the calendar year. The president may delegate such authorities in whole or in part to one or more members of the Executive Committee.

In addition the president may grant to one or more company employes, other than members of the Executive Committee, authority to approve new projects representing capital additions, or replacements, including pre-project engineering and procurement expenditures, in an amount not to exceed $300,000 for each item provided that the aggregate expenditures approved by all such persons shall not exceed $4,000,000 per month averaged over the calendar year.

The president is also authorized and empowered to instruct any company representative on the Board of Directors of any subsidiary of the company to vote to grant similar authority within the foreign limitations to any one or more directors, officers or other employes of the subsidiary.

B. Delegations of Authority by the Board of Directors (I) and by the president (II and III) are:

		Maximum Per Project	Monthly Av. Over Calendar Yr.
I.	President	$1,000,000)	Aggregate - $2,500,000
II.	Certain Executive Committee member	500,000)	
III.	Each Corporate Development Committee member other than Executive Committee	300,000	
IV.	a. Group Vice Presidents	300,000	
	b. General Managers		
	Agricultural Division	100,000	300,000
	Textiles Division	100,000	660,000
	Hydrocarbons & Polymers Division	100,000	560,000
	Inorganic Chemicals Division	100,000	275,000
	International Division	100,000	541,000
	New Enterprise Division	100,000	200,000
	Organic Chemicals Division	100,000	550,000
	Packaging Division	100,000	150,000
	Plastic Products & Resins Division	100,000	217,000
	c. Central Department Directors		
	Director of		
	Central Engineering	25,000	35,000
	Central Personnel	25,000	35,000
	Central Research	50,000	62,500
	Directors of Other Central Departments	7,500	
			Aggregate - $4,000,000
	Member Companies - Domestic		
	President-Monsanto Research Corporation	25,000	35,000

Bank Accounts

Bank accounts for deposit and disbursement purposes are established by resolution of the Board of Directors. The total book balance of any one bank is not allowed to exceed 10% of the bank's capital, surplus and undivided profits.

The Board of Directors approves the opening and closing of general bank accounts of the company and domestic and foreign subsidiaries and appoints any trustee for company pension funds. The Executive Committee is delegated authority by the Board of Directors to:

a. Open, maintain and close the following types of bank accounts (i) imprest funds [i.e. plant and sales office working funds, payroll, and so forth], (ii) depository accounts [lock boxes and similar accounts for the conduct of the daily business of the corporation], (iii) collection accounts, and (iv) accounts to handle investment of company surplus funds, and shall report to the Board of Directors at the next following meeting any actions taken.

b. Designate the person or persons authorized as signers of bank accounts of Monsanto and its subsidiaries, (i) all checks and drafts drawn on and transfers of funds between all company bank accounts, (ii) applications for and agreements respecting letters of credit, (iii) instructions concerning security custody agreements and similar service arrangements.

c. Instruct company representatives on Board of Directors of subsidiaries to vote to authorize the action set forth in (a) and (b) above respectively for such subsidiary.

Customer Credit and Collections

The credit extended to customers of the company and subsidiaries and the collection of the receivables are the responsibility of the treasurer. Normal terms of sale are established by the division and subsidiary management, with the approval of the treasurer or his delegate. Any deviations from normal terms are subject to approval by the treasurer and division management.

The company will not enter into any compromise agreements on customer accounts except with the prior approval of the treasurer. Where receivables collections require the initiation of legal proceedings, it shall be initiated only after consultation with the Law Department.

Insurance - Loss Prevention

The company maintains continuing evaluation of the exposures to fortuitous financial loss to which the company and subsidiaries, worldwide, are subject. The company keeps at maximum effectiveness a loss prevention program designed to reduce accidents to personnel and to property, and minimize the impact of such accidents when they occur.

Types and extent of insurance available are evaluated with such protection being purchased only or to the extent it is deemed to be in the company's best worldwide financial interest under programs designed to fit the company's specific needs. Such insurance provides financial protection against catastrophic loss under the broadest possible coverage and necessary services either required by law or contract or not otherwise economically available within the company.

Management of Excess Funds

Funds in excess of immediate company or subsidiary needs are invested under the direction of the vice president, Finance and in accordance with policies established by the Board of Directors. The purpose is to place these funds in a secure and liquid investment with a maximum yield.

Physical Inventories

Physical inventories of raw materials, goods-in-process, finished goods, operating supplies and fixed assets in all plants, warehouses and offices are taken periodically as necessary to verify the correctness of the accounting records. Adequacy and correctness of inventory information is determined by the controller and by an independent auditing firm appointed by the Board of Directors.

Capital Contributions - Subsidiaries

The president, or one or more members of the Executive Committee as delegated, is authorized to approve initial or additional contributions to the capital of domestic or foreign subsidiaries of the company in amounts not to exceed $100,000 per transaction and not to exceed in the aggregate $500,000 per calendar year.

Capitalization of Intercompany Debt - Subsidiaries

The president or one or more members of the Executive Committee as delegated, is authorized to approve capitalization of advances, payables, and other forms of intercompany debt due from the domestic or foreign subsidiaries and approve similar action to be taken by the company's representatives on the Board of Directors of domestic or foreign subsidiaries in amounts not to exceed $1,000,000 per transaction and not to exceed in the aggregate $3,000,000 per calendar year.

the president in amounts not to exceed $1,000,000 per transaction and not to exceed $2,500,000 per calendar year. The president may delegate to an Executive Committee member the foregoing authority in whole or in part.

Acquiring Treasury Stock

Treasury stock is acquired only by the vice president, Finance for specific needs in accordance with the procedure and policy established by the Board of Directors.

Foreign Currencies

Normally, the operations of the company are conducted in United States dollars or, in the case of foreign manufacturing subsidiaries, in the currency of the country in which the manufacturing company is incorporated or based. Any deviation from this rule requires the prior approval of the vice president, Finance.