MONSANTO CHEMICAL COMPANY

GENERAL OFFICES

SAINT LOUIS

CABLE ADDRESS
MONSANTO-ST. LOUIS

February 21, 1936

To the former Stockholders
of The Swann Corporation:

Article 112(g)-6(b) and (c) of Regulations No. 86 applying to the Revenue Act of 1934 provides, as follows:

> "(b) Every taxpayer, other than a corporation a party to the reorganization, who claims the benefit of a tax-free exchange in connection with a corporate reorganization shall incorporate in his income tax return for the taxable year in which the exchange takes place:
>
> 1. A statement of the cost or other basis of the stock or securities transferred in the exchange, and
>
> 2. A statement in full of the amount of stock or securities and other property or money received from the exchange. The amount of each kind of stock or securities and other property received shall be set forth upon the basis of the fair market value thereof at the date of the exchange.
>
> (c) Permanent records in substantial form shall be kept by every taxpayer who claims the benefit of a tax-free exchange in connection with a corporate reorganization showing the cost or other basis of the transferred property and the amount of stock or securities and other property or money received, in order to facilitate the determination of gain or loss from a subsequent disposition of such stock or securities and other property received from the exchange."

Therefore, it is necessary that you, as a stockholder of The Swann Corporation on May 7, 1935, include with your individual income tax return for the year 1935 a statement containing the following:

1. The cost to you of the shares you held in The Swann Corporation, both A and B stock. This may be supplied as so much per share, or the total cost of your total number of shares.

2. A statement of the number of Monsanto Chemical Company shares you received in exchange for your shares in The Swann Corporation, and a statement that such Monsanto Chemical Company shares were worth $71.00 each, as evidenced by the closing quotation on May 7, 1935 on the New York Stock Exchange.

If you no longer retain the Monsanto stock and have lost your record of the number of Swann Corporation shares and/or Monsanto Chemical Company shares which you possessed, you may obtain this information from either The First National Bank of Birmingham or the Guaranty Trust Company of New York.

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Furthermore, if you have already filed your 1935 income tax return, we suggest that you submit this information on a separate rider to your local Collector of Internal Revenue with the request that he attach this to your income tax return. In such event, it is probable that you should make separate affidavit to the rider before submitting it for inclusion with your return.

It is imperative that you include such a statement with your 1935 income tax return in order to insure you a tax deferred status in connection with the exchange of The Swann Corporation shares for Monsanto Chemical Company shares. Otherwise, you may be taxed on the gain represented by the market value of Monsanto shares on May 7, 1935 less the cost of your Swann Corporation shares.

We will be pleased to answer any additional questions on this subject which may trouble you.

Very truly yours,

F. A. Ulmer
Treasurer & Comptroller

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