

Monsanto

FROM (NAME & LOCATION)

C. O. Hoyer, St. Louis, Mo.

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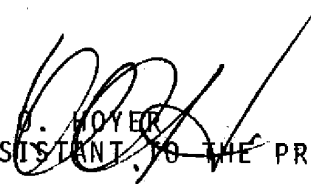
REFERENCE

TO

HOLDERS OF THE MANAGEMENT GUIDE

You will find attached an updated Index for your Management Guide.

The attached should be put in place of Pages A-2 through A-14 which now appear in your Guide.


C. O. HOYER
ASSISTANT TO THE PRESIDENT

FJM:fg

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Monsanto

FROM (NAME & LOCATION)

C. O. Hoyer, St. Louis, Mo.

DATE

October 11, 1967

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SUBJECT

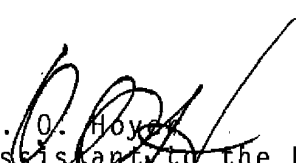
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TO :

HOLDERS OF THE MANAGEMENT GUIDE

You will find attached Pages D-IX-7 through D-IX-12 which are to be added to your Management Guide. Please remove Page D-IX-5 through D-IX-9. NOTE that you presently have two (2) pages numbered D-IX-5 in your Guide. Delete Page D-IX-5 which is dated 8/66 together with the subsequent pages in the section.

This issue brings up-to-date Policy Statements dealing with Planning and Finance. The numbering sequence is corrected in this up-dated issue.


C. O. Hoyer
Assistant to the President

FJM:fg

Funds for Company Operations

Expenditures for the company and its subsidiaries are provided through the use of company and subsidiary internally generated cash, equity financing, borrowing from approved institutions and other approved means of raising capital. The treasurer is responsible for assessing the methods to be used in obtaining funds worldwide in accordance with instructions and policies set by the Finance Committee.

Internal Auditing

Internal audits are conducted to determine that financial records and reports are accurate; that adequate measures are taken to control and protect the assets of the company; that there are adequate corporate policies and procedures for control; and that there is due conformance with such policies and procedures. Periodic examinations are made of assets, liability, income and expense records wherever maintained and of the physical existence and condition of corporate assets.

External Auditing

Accounting records and fiscal operating procedures are examined annually by a reputable firm of certified public accountants appointed each year by the Board of Directors.

The Auditing Committee studies and makes recommendations on auditing policies and practices and recommends yearly to the board on the choice of independent auditors.

Bank Accounts

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

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 Treasury Department. Normal terms of sale are established by the division and subsidiary management. Any deviations from normal terms are subject to approval by the treasurer and divisional management.

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 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 with approval of the treasurer and in accordance with Finance Committee policies. 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.

Purchase, Sale or Lease of Real Property

Real property facilities for plant operations are purchased but, in exceptional circumstances and with appropriate approvals, may be leased. The Treasury Department coordinates industrial and commercial real property activities for the company (excluding those pertaining to Lion Oil marketing properties, the Hydrocarbons and Polymers Division production and exploration properties and the Inorganic Chemicals Division mining properties) and subsidiaries, and recommends and/or approves, in cooperation with the applicable divisions, the Law Department and other interested central departments, the purchase and sale by and the leasing to or from, the company of all such property, including industrial real estate, offices, warehouses and distribution facilities, marketing outlets, etc. The Industrial Real Estate Section

Monsanto

COMPANY

POLICY STATEMENT

of the Treasury Department is responsible for all transactions relating to such real property, including negotiating, obtaining necessary approvals for and concluding the same. In conducting such transactions, the Industrial Real Estate Section obtains the guidance and assistance of the interested division or subsidiary company and the Law and other applicable central departments, keeping them fully informed of the progress thereof. No division or central department makes any commitment or carries on any activity with respect to any real estate transaction without first informing and obtaining clearance from the Industrial Real Estate Section.

Each lease, prior to execution, is approved as to its total fixed rental commitment over the entire term of such lease. In computing such commitment, options to extend the term of such leases or to lease additional areas are excluded, but before such options may be exercised, approval as to the resulting commitment is obtained as in the case of a new lease. Where the lease covers property of or for a division, the general manager of such division and the treasurer jointly approves such lease commitment up to \$100,000. If the lease covers property of or for a central department, the treasurer and director of such central department jointly approves such lease commitment up to \$100,000. If the lease does not cover property of or for a division, a central department or a subsidiary, the treasurer alone approves such lease commitment up to \$100,000. A lease of railroad property may be approved by the director of Distribution Department alone up to a lease commitment of \$25,000. The treasurer and the interested general manager or central department director may each delegate his authority to approve such lease commitments up to \$25,000. In any case, where the commitment exceeds \$100,000, the lease is initially approved as set forth above and forwarded by the treasurer to the Executive Committee or, as the case may be, to the Finance Committee for handling with the Board of Directors.

	Maximum Per Lease
Board of Directors (through the Finance Committee)	In excess of \$1,000,000
Executive Committee -----	\$1,000,000
General Managers and Treasurer (jointly)* -----	\$ 100,000
Treasurer and Department Directors (jointly) -----	\$ 100,000

*General managers approve for domestic and international subsidiaries under their jurisdiction.

DATE 10/67
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Monsanto

COMPANY

POLICY STATEMENT

	<u>Maximum Per Lease</u>
Treasurer (where no division, department or subsidiary is involved -----	\$ 100,000
Director of Distribution Department (railroad lease only) -----	\$ 25,000

Net Finance Leasing

Net finance leases are a part of the overall leasing program. The financial aspects of net finance leasing to involve negotiations with investors or their agents are the responsibility of the Treasury Department.

Employee Real Estate

Upon the request of an employee, the company will purchase the single unit residence of the employee transferred at company's request to another location at the property's appraised value, in accordance with the company's established housing policy.

Reserve for Doubtful Accounts

The amount to be provided annually to reserve for doubtful accounts for the company and its subsidiaries is determined by the treasurer. All charges to this reserve are subject to the treasurer's approval.

Taxes

The company files all tax returns and pays all taxes required by law. A continuing program is maintained to minimize tax liability and all corporate plans, policies and activities are reviewed with this objective in mind.

Financial Statements

Periodic financial statements are prepared, based on generally accepted accounting principles, to show the operating results of the company and its resulting financial position. These statements are prepared in comparative form monthly for operating management review; quarterly, unaudited, for stockholders; and annually, audited, for stockholders. Supporting schedules are prepared as required to set forth details of items included in the statements.

The Board of Directors, through the president, presents at each annual meeting and when called for by vote of the shareowners at any special meeting of the shareowners a full and clear statement of the financial condition of the company.

Commercial Evaluation

To assist in maximizing profits and attaining established return-on-investment goals, an internal, impartial, independent commercial evaluation is made of all major proposed projects affecting policies, present or future earnings, or the basic financial position of the company.

Custody of Securities

All securities, or evidence thereof, are maintained by the Treasury Department. It is permissible under policy to set up custodial arrangements with selected financial institutions. Such arrangements are recommended by the treasurer to the Finance Committee and acted upon by the Board of Directors.

Financial Aspects of Employee Benefit Programs

Financial aspects of employee benefit plans (which include decisions on the degree and method of funding and to insure or not to insure, determination of cost and examination of underlying assumptions, assessment of the financial impact of the plans on Monsanto, contacts with related financial institutions and groups and work to obtain optimum return on pension fund assets) are the responsibility of the Treasury Department. New plans are not adopted nor significant changes made in existing plans without an evaluation of the related financial implications by the treasurer and the presentation of such evaluation to those responsible for the approval of the plan.

Relations with Security Analysts

The vice president, Finance maintains relations with security analysts, financial analytical representatives of professional institutions and the financial press.

Relations with Financial Institutions

Relations with financial institutions such as banks, trust companies, insurance companies, underwriters, governmental lending agencies, etc. are all the responsibility of the treasurer, except as provided in the paragraph above.

Currency Valuation and Exchange

The treasurer is responsible for analyzing on a continuing basis all foreign currencies in their relation to the U. S. dollar, and recommends to the president and/or Finance Committee measures to be taken in anticipation of changes in exchange rates. The controller's office is responsible for determining the company's devaluation exposure.

Guaranteed Loans

The company may issue guarantees on a case-by-case basis as approved by the Executive Committee and Finance Committee.

Acquiring Treasury Stock

Treasury Stock is acquired only by the treasurer for specific needs when approved by the chairman of the Finance Committee and/or Finance Committee and/or 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 treasurer.

Monsanto

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

DATE October 9, 1967

CC:

SUBJECT

REFERENCE

TO : HOLDERS OF THE MANAGEMENT GUIDE

Attached are updated organization charts for your copy of the Management Guide. Charts included in this issue are as follows:

<u>Chart Title</u>	<u>Page</u>
Executive Organization	C-II-2
Monsanto Research Corporation	C-II-28
Hydrocarbons & Polymers Division	C-III-17 C-III-18
Inorganic Chemicals Division	C-III-19 C-III-20
Organic Chemicals Division	C-III-22
Packaging Division	C-III-23 C-III-24
Textiles Division	C-III-27 C-III-28
Central Engineering Department	C-IV-11 C-IV-12
Central Personnel Department	C-IV-16 C-IV-17
Office Management Function	C-IV-18
Distribution Department	C-IV-29
Law Department	C-IV-33
Management Information & Systems Department	C-IV-40 C-IV-41
Patent Department	C-IV-55
Public Relations Department	C-IV-59 C-IV-60
Purchasing Department	C-IV-64

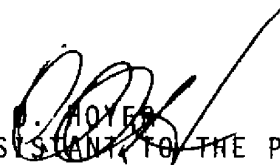
Organization charts covering the following Divisions and Departments are obsolete but should remain in your Guide for the time being. These will be updated in the near future:

Agricultural Division	C-III-15 C-III-16
Plastic Products & Resins Division	C-III-25 C-III-26

<u>Chart Title</u>	<u>Page</u>
International Division	C-III-31
Central Departments Organization	C-IV-3
Accounting Department	C-IV-8
Advertising and Market Development Department	C-IV-47 C-IV-48
Treasury	C-IV-70 C-IV-71

Please remove from your Guide the following pages which are presently obsolete:

C-IV-25
C-IV-72


C. D. ROYER
ASSISTANT TO THE PRESIDENT

FJM:fg

Monsanto

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

DATE September 25, 1967

CC:

SUBJECT

REFERENCE

TO : HOLDERS OF THE MANAGEMENT GUIDE

Attached are updated changes for your copy of the Management Guide. A summary of the changes included in this issue is as follows:

Executive Committee, Page C-I-3 - New policy states that formation of new companies in which Monsanto or a subsidiary will have ownership interest requires Executive Committee approval.

Assistant to the Vice President, Marketing, Page C-II-19 - Position discontinued. Please remove Page C-II-19 from your Guide.

General Managers - Degrees of Authority, Page C-III-14 - Investment in other companies identified with Degree 5 set as the general managers' authority level.

Director of Advertising and Market Development Department, Page C-IV-42 - New position description for the department director.

General Corporate Policy

- (a) Page D-I-3 - General policy established requiring Executive Committee action on all recommendations involving formation of new companies.
- (b) Page D-I-9 - Corporate Identity program assigned to Advertising and Market Development Department for continuing implementation.

Acquisition of Business Data Processing Equipment, Page D-II-2.1 - New administrative policy established requiring approval of director of MISD on acquisition of all business data processing equipment. Responsibility for required confidential agreements on business data processing equipment assigned also to director of MISD.

Purchase Contracts and Commitments, Page D-II-14 - New policy established which sets out those conditions under which concurrence from the Law Department is required prior to action by the Purchasing Department. The new policy also establishes limits under which clearance from the senior vice president, Operations is required prior to initiation of action.

Acquisition of Process Computers, Page D-III-4 - New administrative policy established requiring coapproval of the director of Central Engineering Department and the director of MISD for acquisition of process computers. Responsibility for confidential agreements related to process computers assigned to the director of CED.

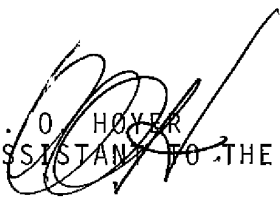
Industrial Readiness Programs, Page D-VI-8 - New manufacturing policy established requiring advanced clearance with the senior vice president, Operations and the vice president, Governmental and Civic Affairs for registration of any Monsanto manufacturing plant as an emergency producer under programs of the U.S. Department of Defense.

Personnel Policy

- (a) Page D-VIII-3 - New numerical salary levels inserted in place of old alphabetical salary identification.
- (b) Page D-VIII-8 - The waiting period for commencement of payments for sickness and disability on the part of hourly employes has been clarified.

Capital Appropriations

- (a) Page D-IX-2 - The requirement made for inclusion in capital appropriation requests of summary information covering significant contracts related to the project.
- (b) Page D-IX-3 - Delegation of authority limits revised in certain cases on both per project and monthly average limits.


C. O. HOYER
ASSISTANT TO THE PRESIDENT

Monsanto

COMPANY

8. Designates committees and appoints members to aid and support the Executive Committee in its areas of responsibility; acts for the Board of Directors in establishing delegations of authority for approval of capital appropriation requests; retirement of fixed assets; sales of assets in amounts of \$1,000,000 or less.
9. Acts on new enterprise areas (within divisions' scope) and on new venture areas (beyond divisions' scope) selected for action or investigation; approves all new venture projects and those new enterprise projects requiring \$100,000 or more; recommends action on such projects requiring board approval.
10. Acts on recommendations regarding formation of new companies in which Monsanto or a subsidiary is to have an ownership interest.
11. Authorizes signers of checks on Monsanto bank accounts and of alcohol permits.
12. Establishes or recommends policy with regard to governmental and civic affairs.
13. Regularly reports its acts and proceedings to the Board of Directors.
14. 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.

EXECUTIVE COMMITTEE

Charles H. Sommer, Chairman	
Edward J. Bock	Robert K. Mueller
John L. Christian	Edward A. O'Neal
John L. Gillis	Monte C. Throdahl

Carl O. Hoyer, Secretary

FINANCE COMMITTEE

Reports to: Board of Directors

FUNCTIONS

1. Under delegation by the Board of Directors, serves as the financial policy making body of the company.
2. Recommends to the Board of Directors action necessary to maintain corporate liquidity with an appropriate equity to debt ratio.
3. Determines that there are adequate funds for capital additions, expansion and other corporate purposes and recommends appropriate financial action where necessary.

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4. Recommends to the Board of Directors depositories for funds of the company, and its subsidiaries; may act for the Board of Directors in delegating authority to the treasurer for the selection, the maintenance, and the closing of these accounts.
5. Recommends to the Board of Directors policy regarding investment of surplus funds; may act for the board in delegating authority to the treasurer for investment of such funds.
6. Recommends to the Board of Directors plans for all financing regardless of type, including financing of leases, for the company and its subsidiaries, and may act for the board in delegating authority to the treasurer to negotiate such financing.
7. Recommends to the Board of Directors policy regarding the funding of pension obligations of the company and reports on the adequacy and performance of the funds; may act for the board in delegating authority to the treasurer to administer this policy.
8. Recommends to the Board of Directors action to be taken regarding the guarantees of third-party obligations on projects approved by the Executive Committee; may act for the board in delegating authority to the treasurer to administer this policy.
9. Acts upon dividend payment recommendations submitted by subsidiaries as approved by the president and/or responsible Executive Committee member.
10. Recommends to the Board of Directors action on proposals by the Executive Committee to transfer shares of one subsidiary of the company to another subsidiary; may act for the board in delegating authority to the treasurer to transfer these shares.
11. May act for the Board of Directors in delegating authority to the treasurer for the transfer of funds between wholly owned subsidiaries of the company.
12. Determines action to be taken regarding repatriation of capital and may delegate authority to the treasurer.
13. Determines steps to be taken to hedge against possible devaluation of currency; and may act for the Board of Directors in delegating authority to the Executive Committee, president or treasurer to take appropriate action.

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COMPANY

14. Recommends to the Board of Directors payment of dividends and conditions thereof.
15. Recommends action to the Board of Directors regarding salaries for corporate officers.
16. Regularly reports its actions and proceedings to the Board of Directors.

FINANCE COMMITTEE

Charles Allen Thomas, Chairman	
Dillon Anderson	Edward A. O'Neal
David R. Calhoun	Edgar M. Queeny
Fredrick M. Eaton	James S. Rockefeller
Herbert Hoover Jr.	Charles H. Sommer

Patrick J. Dowd, Secretary

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 budget 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

Charles H. Sommer, Chairman	
Edward J. Bock	Edward A. O'Neal
John L. Christian	
John L. Gillis	

Lloyd R. Cole, Secretary

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Monsanto

COMPANY

TECHNICAL COMMITTEE

Reports to: Executive Committee

FUNCTIONS

1. Recommends to the Executive Committee new or expanded technological effort necessary to the attainment of the company's long-term objectives.
2. Screens existing and new technology, identifying opportunities through which expanded effort would lead to positive commercial advantages and increased profits.
3. Evaluates technical proposals for new or expanded objectives submitted from any segment of the company; recommends those having potential to the Executive Committee for further consideration.
4. Recommends to the Executive Committee policy governing the technical effort.
5. Monitors progress and results of the company's technical effort and reports status to the Executive Committee.
6. Reviews and keeps informed of the transfer of major projects from Research and Development to assigned implementing organization. (See Commercial Development Policy - D-IV).
7. Keeps abreast of the current and planned technical effort of the company and suggests to the Executive Committee policies to ensure:
 - elimination of duplicate or overlapping technical effort within the company;
 - improvement of collaboration where projects are similar or related;
 - optimizing results of the company's total technical effort and resources.
8. Assigns special study groups to evaluate major proposals as required.
9. Approves sale of technical know-how and services involving payments to the company of \$1,000,000 or less in a single transaction, as delegated by the Executive Committee.

Monsanto

COMPANY

TECHNICAL COMMITTEE

Monte C. Throdahl, Chairman
John M. Depp Jr. Edward A. O'Neal
John L. Gillis Charles Allen Thomas
Richard S. Gordon J. Russell Wilson

Carl O. Hoyer, Secretary

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

AUDITING COMMITTEE

Fredrick M. Eaton James S. Rockefeller

BONUS COMMITTEE

Reports to: Board of Directors

FUNCTIONS

1. Interprets and administers the company's bonus plan.

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2. Determines recipients and amounts of bonus awards, subject to the terms of the plan.

BONUS COMMITTEE

Charles Allen Thomas, Chairman
Dillon Anderson Edgar M. Queeny

Carl O. Hoyer, 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
John L. Christian Dan J. Forrestal
Patrick J. Dowd

Robert F. McCooile, Secretary

Monsanto

COMPANY

POSITION DESCRIPTION

POSITION TITLE Division General Manager* - Common Responsibilities

REPORTS TO Senior Vice President, Operations

FUNCTION

Serves as chief operating officer of the division with worldwide product profit responsibilities. 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 present products and to develop new products, processes and markets. Ensures that divisional activities conform to established corporate policies and procedures. Develops organizational plans and management to achieve the division's objectives.

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 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 senior vice president, Operations.
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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Monsanto

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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; clears major marketing programs with the vice president, Marketing 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 senior vice president, Operations 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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C O M P A N Y

Wage administration -----	1
General increase - adjustment -----	3
Employe benefits -----	4
Position titles -----	3
Bonus and stock option -----	4
Recruitment:	
Technical -----	2
Non-technical -----	1
Management development and training -----	2

M. PUBLIC RELATIONS

Community relations:	
Plants or offices except in St. Louis area -----	1
St. Louis area -----	3
Corporate relations (including press) -----	5
Product publicity:	
Selection of products -----	1
Releasability of publicity -----	4
Product publicity personnel -----	3
Press, radio - TV relations:	
Non-local -----	4
Local (plant or office except St. Louis area) -----	2
Emergency communications -----	4
Financial communications -----	5
Shareowners relations -----	5
Internal communications:	
Material of local interest -----	1
Material of interest to other company units -----	3
Corporate material -----	5
Corporate publications (Monsanto Magazine, etc.) -----	5
Photography (stills, motion pictures, film distribution) -----	4
Review and clearance of speeches and articles for outside publication -----	2
Company contributions:	
Divisional except in St. Louis area -----	2
Corporate -----	5

N. PURCHASING

Major contracts involving legal and policy matters ----	3
Selection of suppliers -----	3
Vendor endorsements -----	4

O. RESEARCH AND DEVELOPMENT

Planning, execution and evaluation -----	2
New, regenerative and expansion projects -----	1
Outside research or development -----	1

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Patent budgets -----	2
Research personnel -----	2
Priorities for patent program -----	2
Know-how exchange, purchase, sale (via Patent Depart.):	
Up to \$100,000 -----	2
\$100,000 and over -----	3
Joint research programs -----	3
Technical efforts:	
Existing products -----	1
New enterprise projects in approved fields:	
Minor (up to \$100,000) -----	1
Major (over \$100,000) -----	3
Expansion, transfer or termination of programs:	
Interdivision -----	3
Intradivision, department -----	1
Central Research liaison -----	2
Foreign research liaison (via Central Research) -----	2
Publications -----	2

P. TREASURY

Credit, including credit to international and domestic subsidiaries, associated and affiliated companies, within reasonable limits and company policy -----	3
Procurement of capital funds -----	5
Bank relations and control of bank balances -----	5
Insurance -----	5
Taxes:	
Federal social security, withholding, excise and miscellaneous -----	5
Federal income -----	5
State income, franchise, intangible and miscellaneous -----	3
Local property and miscellaneous -----	3
State unemployment compensation -----	5
Investment of company excess or free funds -----	5
Real property purchase, lease or sale -----	3
Employe Stock Purchase Plan -----	5
Net finance leasing -----	3
Investment in other companies -----	5

Monsanto

C O M P A N Y

POSITION DESCRIPTION

POSITION TITLE Director of Advertising and Market Development
Department

REPORTS TO Vice President, Administration (administratively)
Vice President, Marketing (functionally and on
policy matters)

FUNCTION

Administers and coordinates company-wide activities covering corporate and product advertising and promotion; administers the Corporate Identity Program. Directs marketing personnel planning activities. Assists the vice president, Marketing in establishing standards and controls for review and evaluation of the company's overall sales performance. Collects and analyzes the short- and long-range marketing plans of the company for the vice president, Marketing.

DUTIES

1. Secures marketing and promotional objectives from each division and develops plans to meet these objectives.
2. Coordinates advertising activities of the company, including application of the Corporate Identity Program; appoints advertising agencies and consultants.
3. Evaluates the results of advertising and promotion programs against established objectives.
4. Directs the corporate market research activities covering those market segments beyond the scope of operating division interests.
5. Keeps informed of the kinds and quality of marketing and marketing research services available from the outside agencies, public and private, and advises the company and divisions on the use of such services.
6. Designs and produces such advertising and promotion materials as literature, direct mail, displays, signs and exhibits.
7. Advises the divisions and the Distribution Department in all design and appearance aspects of packaging; carries responsibility for the accurate design aspects of all uses of Monsanto's trademarks.
8. Maintains the Corporate Identity Manual for the vice president, Marketing.

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C O M P A N Y

POSITION DESCRIPTION

POSITION TITLE Director of Advertising and Market Development
Department

9. Studies and recommends the location of new sales offices and facilities and initiates studies related to the relocation of present marketing facilities in an effort to reduce costs and maximize efficiency based upon the marketing requirements of the operating divisions.
10. Periodically reviews the company's customer service center locations and the territories served by them to optimize Monsanto's customer order and inquiry service in the field; coordinates any proposed changes with the operating divisions.
11. Keeps management at the corporate and divisional levels informed of results and programs in the field; prepares and distributes required company-wide marketing statistics.
12. Provides to the divisions the services of competent advertising and promotional personnel.
13. Ensures that Monsanto presents a consistent, unified, and positive image to all its customers and other publics.
14. Works for optimum use of advertising and sales promotion to foster profitable growth of Monsanto.
15. Carries out responsibilities within established budget limitations.

Monsanto

COMPANY

POLICY STATEMENT

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 Executive Committee acts on all recommendations involving formation of new companies in which Monsanto or a subsidiary is to have ownership interest.

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 employees 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 concerned Executive Committee member prior to implementation.

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 strategy programs.

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Security of Company Information

The profitability of company operations and the welfare of all employees and shareowners, as well as the development of new products, formulae, processes and equipment have resulted from the diligence and intelligence of employees over the years. Each employee 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 detail in the Security Manual, Section F of the Management Guide.

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 employee 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 upon 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.

- C. Board of Directors' Award - This is the highest award available. It is a gold pennant which brings with it a certificate signed by the chairman of the Board of Directors.

The divisions or subsidiary companies are also eligible to win the three types of awards, but instead of safety pennant awards, a desk-type award is available for display in the general manager's or subsidiary executive's office. An officer of the company makes the presentation.

The Monsanto Accident Prevention Manual describes the details of the Safety Award Plan.

Disaster Plans

Monsanto maintains a replacement schedule for the succession of management responsibility in case of an emergency or disaster incapacitating top management personnel. In the event of a disaster affecting the central company headquarters, an outlying area has been designated as the assembly point for temporary headquarters.

Division general managers are delegated the responsibility for providing effective disaster planning for locations under their direction.

Each Monsanto location maintains an up-to-date Disaster Control Plan. Plans follow the guides set forth in the latest edition of "Emergency and Disaster Organization Planning for Protection of Company Units", available through the Safety and Property Protection branch of Central Engineering which is responsible for advice and assistance on these plans and as a source of information. In the event of a disaster, the company's emergency press coverage procedure is observed.

Corporate Identity

Monsanto's Corporate Identity Program projects and maintains in all the company's visual communications throughout the world a consistent appearance that reflects the progressive, diversified and integrated character of the company.

Monsanto communicates to the public through its advertising, literature, publications, speeches, employes, stands taken on public issues, the appearance of plants and offices and by the kind and quality of the products manufactured.

The Advertising and Market Development Department is responsible for preparing and maintaining a Corporate Identity Manual for use throughout the company and its subsidiaries.

Distribution of Reports

Monsanto's general policy with respect to distribution of periodic reports covering progress and developments of divisional and central department activities is to maintain an optimum balance of security of confidential company information and good communications.

The general practice is not to circulate entire reports beyond the authorized recipients. Where it is deemed necessary for some personnel to have knowledge of definite items contained in reports, such information should be transmitted verbally or by specific excerpts or properly excised copies.

The criterion for distribution is need for information. No one with real need must be deprived of necessary information. The company distribution practices apply to all subsidiaries.

Governmental and Civic Affairs

Monsanto, as a citizen of the nation and of communities in which its plants, laboratories and offices are located, recognizes and works to fulfill its governmental and civic obligations.

The objective of the governmental and civic affairs function is to maintain good relationships with government at the local, state and national level; government which, while conducted in the interests of all segments of society, ensures the successful and profitable operation of business enterprise.

Corporate Contributions

It is in the best interests of the company to establish and maintain good relationships with the communities in which it does business, with educational and scientific institutions and with industry and the public in general. Monies are set aside and charitable contributions are made through the Monsanto funds: The Monsanto Fund provides for contributions to recognized organizations of a non-profit nature; The Educational Fund provides for university and college fellowships, scholarships and grants-in-aid. Non-charitable and non-educational contributions of a corporate nature are made from the general accounts.

Corporate Memberships

Corporate memberships are memberships in organizations which are neither charitable nor educational, performing services locally or nationally that directly or indirectly benefit the company as a whole. Authority to approve expenditures for such memberships is vested in a Corporate Membership Committee, appointed by the president.

Monsanto

C O M P A N Y

POLICY STATEMENT

included with the Standard Record Retention Schedule. For plant and office locations not convenient to the St. Louis area, record centers are established for local needs.

Utilization of a record center does not reduce the responsibility of any office for adherence to record retention schedules.

Company records are not to be kept at the homes of employees.

Acquisition of Business Data Processing Equipment

Business computers and data communications equipment, including digital and analog computer systems and unit record equipment, are subject to critical evaluation prior to ordering such equipment. Economies, compatibility of systems, and present and future requirements are a few of the more important considerations.

Commitments for the purchase, lease or rental of business data processing equipment are subject to joint approval by the initiating division general manager or central department director and the director of Management Information and Systems Department.

Inclusion of confidentiality commitments as part of any contracts between Monsanto and the vendors of business computer hardware are the responsibility of the director of Management Information and Systems Department. Such commitments are subject to the review and approval of the Law and Patent Departments.

The total capital value of such business computers and related equipment is the criteria for determining the level of management approval for expenditures. These approval levels follow the delegations and limits established by the Board of Directors for capital expenditures. The approval of the director of Management Information and Systems Department is required for all acquisitions of business computers and related equipment regardless of amount. See also policy Acquisition of Process Computers, page D-III-4.

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Labeling

Labeling provides product and corporate identity, together with company liability protection. Labeling includes the use of stick-on labels, printed bags, drums, cartons and boxes, and lithographed metal containers.

Label specifications are developed by Distribution, in liaison with Advertising and Market Development, Law, Patent, Treasury, Medical, and marketing departments in the concerned divisions, as an integral program to ensure conformance with the corporate identity policy and compliance with federal and state regulations and optimum protection against product liability claims.

Product Registration

Where product registration with federal and/or state agencies is required for the sale of specified products, the Distribution Department handles the registrations and maintains complete files of same.

Packaging Development

Packaging development applies new packaging technology and materials to reduce package and handling costs and to improve product protection. Improved packaging technology is continuously sought and the central Distribution Department is directed to support and coordinate this activity throughout the company.

ADMINISTRATION POLICY STATEMENTS - LEGAL

General

The company adheres to the laws of the United States and of any states, international or domestic, in which it does business and endeavors to protect and defend its interests through available legal means. Business transactions or activities which may involve the company in potential liability are reviewed by the Law Department before initiation.

Government Contacts

Proposed contacts by employees with government personnel, relating to the company or its affairs except as to sales or technical matters, are reviewed by the Law Department plus others, as appropriate. Employees are not to discuss the company or its business with, or make company files available to, government representatives without obtaining such prior approval. However, the foregoing does not apply to exercise of a plant manager's discretion in admitting federal or state employees having a statutory right to enter for a plant inspection or investigation (providing they supply appropriate credentials) only in connection with health, safety, fire and the like. If a wage and hour inspection is begun at a company location, the Law Department should be immediately advised so that an attorney can be present or legal advice regarding the investigation can be provided.

The company handles all legal work internally, except when circumstances indicate that the Law Department retain and supervise outside counsel to handle litigation or specialized matters.

The Law Department reviews all cases requiring litigation abroad. International litigation is conducted by the Law Department (or Patent Department where assigned). Arrangements for international legal counsel or representation are made by the Law Department after appropriate contact with the International Division.

Contract Files

A master file of important contracts and other significant documents is maintained by the corporate secretary.

Acquisition and Joint Ventures

Law Department participation in acquisitions of other companies or in formation of joint ventures with other companies is mandatory. (See policy provisions on pages D-I-12, 13 and 14.)

department. A clearance and review committee or other delegate of the general manager or central department director, as the case may be, should possess both technical and professional competence to review and pass judgment on the material presented, referring such material or speech to the Law, Patent and Public Relations Departments for further appropriate review and clearance where technical information of substance is involved and/or any of the subject matter is of public relations importance.

Community Press Relations

All plant managers and other location senior executives maintain cordial relationships with representatives of the working press in their areas, as well as with the publishers, editors and editorial writers of newspapers and representatives of the local radio and TV stations. The Public Relations Department is available at all times to give advice and counsel in local press relations.

Emergency Press Coverage

Each plant or identifiable unit of the company should be prepared to work with representatives of the local press in accordance with procedures covering emergency press matters which have been established by the Public Relations Department.

In the event of any serious accident, explosion, fire, labor disturbance or other major event affecting Monsanto employees, buildings, vehicles, aircraft or other property, plant managers or other senior location executives should immediately notify the senior vice president, Operations, their respective division general manager or department director and call a member of the Public Relations Department, so that the headquarters may be fully informed. In the event a location manager is unable to reach his division general manager immediately, he will call the director or assistant director of the Public Relations Department.

Public Relations Procedures

Additional detail regarding the implementation of the company's public relations policies are found in the Emergency Press Manual.

ADMINISTRATION POLICY STATEMENTS - PURCHASING

The Purchasing Department provides purchasing service on a worldwide basis to all divisions of the company and its subsidiaries and affiliates to maximize corporate profits through judicious and ethical buying of raw materials, equipment and supplies, and designated services and utilities. The Purchasing Department manages the corporate programs for national buying agreements for mechanical and supply items, in the purchasing of raw materials for multi-plant usage and selected other raw materials, international purchasing and central engineering procurement. It is responsible for purchasing research, recruiting of purchasing personnel, and the functional supervision of field purchasing offices. It provides assistance and counsel in these areas to all elements of the company.

Purchasing Requirements

Operating divisions and departments determine needs, establish specifications and set quality levels for purchase of raw materials, equipment, packaging materials, maintenance supplies and other services.

Placement of Purchase Contracts and Commitments

The director of Purchasing Department and other members of the Purchasing organization, as delegated, are authorized to make purchasing commitments on behalf of the company. Contracts and purchase orders are submitted for Law Department review prior to execution when such commitments involve any one of the following conditions:

- an amount in excess of \$500,000 on a standard form of contract as approved by the Law Department;
- an amount in excess of \$100,000 on a non-standard form of contract or on a standard form if any of its terms and conditions have been materially modified;
- firm and definite terms exceeding a period of 18 months;
- liquidated damages or "take or pay" provisions;
- any form of guarantee by Monsanto;
- capital additions by a vendor on Monsanto property;
- the right of entry to or inspection of company property.

In addition, all purchase orders and contracts for the purchase of raw materials and supplies, machinery and equipment, and power and other designated utility services require advance clearance from the senior vice president, Operations when such commitments involve an expenditure by the company of:

- \$5,000,000 or more regardless of the period involved;
- \$2,000,000 or more during any one-year period;
- \$1,000,000 or more per year for more than two years.

Monsanto

C O M P A N Y

POLICY STATEMENT

Certain areas unique to oil and gas exploration and petroleum operations and marketing are exempted from the above policy limitations. The general manager of the Hydrocarbons and Polymers Division has been authorized by the Board of Directors (by resolutions adopted on March 26, 1964) to act on rights of way; easements; oil, gas, and mineral leases and disposition of such leases; joint operating agreements; exploration, drilling, and production agreements; government contracts involving gas and oil properties or production; contracts for the sale and/or purchase of oil, gas, casinghead gas and liquefied petroleum products; and guarantees of third party bank loans up to \$100,000 to guarantee the construction of facilities for marketing of petroleum products of the company.

Project Purchasing

Central Engineering purchases materials, equipment, supplies and other required items for assigned projects. Purchasing activities are carried out in accordance with established Purchasing Department procedures and under functional guidance of Purchasing Department personnel.

Whenever outside contractors are retained for major construction projects, they may be authorized to procure certain materials for the project. Under such circumstances, Central Engineering Department personnel direct the contractors' procurement efforts to ensure maximum benefits to the company in terms of price, quality and vendor relationships, under the functional guidance from the Purchasing Department.

Purchases from Local Companies

Every effort is made to permit the participation of local companies in Monsanto's purchases at all locations, but the local concern is expected to be fully competitive with other sources.

Competitive Purchasing

Purchases are made under competitive conditions, where feasible, which ensure fair and equitable consideration of the proposals from financially responsible and reliable suppliers and which provide the company with the lowest price consistent with quality, quantity, delivery and service.

Pricing information is kept strictly confidential.

Purchase of Materials from the Government

On occasion, the Government offers for sale, usually on a negotiated basis, substantial quantities of materials resulting from its own manufacturing operations, materials reclaimed from Government equipment or materials surplus from prior purchases. Where such offerings involve substantial quantities of material which Monsanto also manufactures or uses, the general manager concerned handles as a divisional matter.

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National Buying

National purchasing agreements are developed and maintained with emphasis on cost reduction. Such agreements take priority over all other local agreements, unless specific exceptions are made or divisions or central departments are required to pay a premium under such contracts. Local purchasing personnel are expected to utilize and support these agreements and keep the Purchasing Department currently appraised of market, price and service conditions or other matters related to specific national buying agreements vital to corporate interests.

International Purchasing

As a major international company, Monsanto looks at its purchases on a worldwide basis. The company remains currently knowledgeable of competitive markets throughout the world and endeavors to purchase for all domestic and international locations in a manner which maximizes the effectiveness of the purchasing effort. In its domestic operations the bulk of purchases are made from domestic suppliers; however competitive international suppliers are considered and may be preferred where special interests are involved.

Leasing

The acquisition of property and services through leases, including net finance leasing and supplier leasing, is administered by the Purchasing Department. Financial arrangements and negotiations to provide necessary funding for net finance leases are the responsibility of the Treasury Department.

Equipment and facilities are normally purchased, but non-manufacturing assets may be leased, when the excess cost of leasing is less than an annual 8% after taxes of the purchase price averaged over the useful life of the property.

The following types of equipment and facilities may be leased under the company's leasing programs:

- A. Miscellaneous mobile equipment.
- B. Ships and barges.
- C. Warehouse and storage facilities away from plants.
- D. Certain equipment and facilities available only thru leasing arrangements.

Equipment and facilities leases incur liability for future payment. The full purchase price and services, if obtained, are the criteria for determining the level of management approval for the expenditure. These approval levels follow the delegations and limits established by the Board of Directors for capital expenditures.

Where specialized requirements exist and the nature of leasing arrangements are unique, the Purchasing Department may delegate leasing responsibilities -

- A. Distribution Department - transportation equipment.
- B. Management Information and Systems Department - electronic data processing; related equipment, communications equipment and facilities.
- C. Hydrocarbons & Polymers Division - bulk plant and service station facilities.

Relationships with Vendors and Contractors

All vendor and contractor sales representatives are granted a free and full hearing consistent with the potential value to the company of the product or services involved.

All contacts with vendors for the purpose of expediting deliveries, entering claims or returning material for credit or adjustment are made through the purchasing organizations and in accordance with established purchasing procedures.

Equipment Standardization

Equipment is standardized at all locations as far as practical. The Purchasing Department serves as the repository of information related to approved standardized equipment for use throughout the company.

Security Agreements

Security agreements between the company and suppliers are a part of purchasing contracts under certain conditions. The content and format of such agreements are developed by the Law Department. The Law Department cooperates with the Purchasing Department in the development of contracts and agreements which will be legally acceptable to Monsanto. See the Security Manual, Section F of the Management Guide, for further details.

Materials Research Function

Current and long-range purchasing requirements are reviewed by the Purchasing Department. Research is conducted for new sources of supply and methods sought to improve the purchasing economics.

Endorsement of Raw Materials or Equipment for Vendor Advertising

No letters of endorsement, whether solicited or unsolicited, are written for materials or equipment furnished by any vendor without the approval of the director of Purchasing Department.

Acceptance of Gifts from Vendors

Employees do not solicit or accept significant gifts, expensive entertainment or loans from vendors. There is no objection to the acceptance of items of small intrinsic worth or of advertising nature, or of an occasional lunch or dinner that serves a business purpose.

Disposal of Surplus

The Purchasing Department remains cognizant of material and/or equipment declared obsolete or surplus by divisional management, and determines possible need or use of such material by other operational locations prior to release for local disposal. The sale of scrap, salvage, obsolete and surplus material or equipment is handled by local Purchasing personnel in the manner most advantageous to the company and in accordance with Treasury procedures. Such material may be offered for sale to employees on a cash or equivalent basis.

Purchases for Employees

Unless approved by the Director of Purchasing Department, company purchase orders are not used in making personal purchases except for approved items such as work clothing, safety equipment, small tools and other items required by the employee in the performance of his job.

Project Scope

Central Engineering and the appropriate division are mutually responsible for the translation of commercial objectives and technical data into preliminary plans and performance requirements sufficient to evaluate the economic desirability of a project and sufficient to serve as the basis from which definitive process and engineering design may be developed. Central Engineering compiles the final Project Scope Report.

Appropriation Request Estimate

After establishment of the project scope, Central Engineering prepares the official Appropriation Request Estimate and transmits it to the division together with comments as required by the Appropriation Request Procedure (Controller's Bulletin 12-02).

Project Responsibility - Central Engineering

Central Engineering is responsible and accountable for the definitive design and construction of all capital projects totaling \$100,000 or more, which includes:

Process Design - The verification and/or optimization of the project documented in the Project Scope Report and the preparation of plans and performance specifications to guide engineering design activities for the project.

Engineering Design - The translation of process design information and other data and requirements into complete instructions for procurement and construction of project facilities.

Construction - The economical and timely completion of the project as detailed in the engineering design.

Engineering Services

Central Engineering has direct accountability for the provision of requested assistance to the divisions in specialty engineering consultation and assistance on equipment and related operating problems; also for providing consultation and assistance in process development and process improvement problems, development and testing of new equipment and for the application of new concepts and design techniques.

Engineering Standards

Central Engineering serves the various divisions through establishment of engineering standards.

Plant Start-Up

Central Engineering participates in start-up operations, as necessary, for a smooth turnover.

Acquisition of Process Computers

Process computers and related periphery equipment are subject to critical evaluation prior to ordering such equipment. Economies, compatibility of such systems to other existing computer systems, and present and future requirements are a few of the more important considerations.

For purposes of definition, the term "process computer" includes all digital computers engaged in measurement of process variables or equipment status for the purpose of control and/or data acquisition in full scale plant, laboratory, or pilot plant operation.

Commitments for the purchase, lease or rental of process computers and related equipment are subject to joint approval by the initiating division general manager, the director of Management Information and Systems Department, and the director of Central Engineering Department.

The Central Engineering Department with assistance from the initiating division has responsibility for feasibility studies, selection of computer hardware and the installation of original software for process control applications. The Management Information and Systems Department participates in all process computer studies where necessary to evaluate other applications not concerned with process control and to assure, insofar as is possible, that the process computer hardware and systems required for the project are compatible with present and foreseeable future information requirements. Program maintenance for process control systems will be provided by Management Information and Systems Department with concurrence of concerned division general manager.

Inclusion of confidentiality commitments as a part of any contracts between Monsanto and vendors of process computer hardware are the responsibility of the director of Central Engineering Department. Such commitments are subject to the review and approval of the Law and Patent Departments.

The total capital value of such process computing equipment is the criteria for determining the level of management approval for expenditures. These approval levels follow the delegations and limits established by the Board of Directors for capital expenditures. The approval of the director of the Central Engineering Department and the director of the Management Information and Systems Department is required for acquisition of any process computer hardware regardless of amount. See also policy Acquisition of Business Data Processing Equipment, page D-II-2.1.

All confidential plant information requested by outside contractors or vendors for display purposes is released only by the director, Manufacturing or plant manager concerned, with due regard for security and in accordance with release procedures.

See the Security Manual, Section F of this manual, for further details.

Process Toxicity

To safeguard the health of employees, appropriate toxicological tests and studies are required for any new product or product change reaching the application stage, for process trials or modifications, for any chemical materials not previously used, and for projects which may involve health hazards to employees or customers. Such evaluations are conducted under the direction of Medical Department on the basis of appropriate divisional and/or departmental procedures.

Waste Disposal

The utmost precaution must be observed in the design of facilities and in operation of processes to ensure that effluents, wastes, fumes, dusts and vapors discharged from facilities do not create a public nuisance. To preserve public health and aquatic life, such discharges are monitored in observance of atmospheric and stream pollution standards. Control responsibility and authority is assigned to the operating division responsible for each plant site. The Medical Department provides overall company appraisal and consultation with appropriate federal and state authorities. Direct responsibility for appropriate current activities and plant reduction or elimination of emissions rests with each plant manager. Plant managers must determine the characteristics of waste products and work toward quantitative measurements of those most likely to require elimination or treatment.

Plant Inspections

In order to encourage a high standard of maintenance, safety, and appearance of all plants, and to assure that employee facilities are maintained on a high plane, all major domestic, Canadian and Mexican operations are inspected once each year.

Inspection committees are appointed by the senior vice president, Operations after consulting with the directors, Manufacturing of the various divisions. The travel schedule and the inspection procedures are decided each year, based on current needs.

Industrial Readiness Programs

Registration of any company manufacturing plant as a planned emergency producer under the programs of the U.S. Department of Defense shall be cleared in advance with the senior vice president, Operations and the vice president, Governmental and Civic Affairs. Information on plants so registered shall be maintained by the assistance to the president.

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

- E. Executive Committee Approval - Approval of the Executive Committee is required for any new employee to be hired at a starting salary of \$18,000 or more per annum.

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

Employee Benefits

- A. Cafeterias for Employees - Employee 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 employee arising out of, and in the course of, his employment, the company seeks to prevent undue financial hardships to the employee'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 employee, 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, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and Memorial 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 employees 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 employees 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 employees 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 employee 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 - Employees and children of employees 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.

- I. Separation Allowance - Salaried Employees - A separation allowance is provided to assist financially an employee whose services are terminated through no fault of his own. Whether payment of any separation allowance is to be made is at the discretion of the responsible division general manager or central department director. Special cases and those that exceed the policy must be referred to the Retirement Plan Committee for approval.

Separation allowances may also be extended to employees who have reached their normal retirement age and who are not eligible to receive a pension. The details of this policy are contained in Personnel Administration Bulletin R-2.

- J. Service Awards - The company expresses its appreciation and recognition for loyal and continuous employee service through a service award plan. Further information is found in Personnel Administration Bulletin II.
- K. Sickness and Disability - Salaried Employees - Nonoccupational sick leaves of absence with pay are granted in accordance with the following schedule to employees who are classified for pay purposes as permanent salaried employees:

Credited Service

Sick Leave

Less than three months

Equal to service, but not less than one month

Three months or more

Maximum of six months

The above are the maximum periods to be granted an employee for the same or related cause of disability. Any extension of these maximum periods require the approval of the Retirement Plan Committee. Further information is found in Personnel Administration Bulletin XIII.

In the case of occupational sickness or disability where the employee receives payment under the Workmen's Compensation Law for time lost from work, the company pays only the difference between the salary and such amount. The employee receives the company's contribution during the first year of his disability; the company's contribution may then be continued, with the approval of the Retirement Plan Committee, upon request by the division general manager or central department director. Further details may be found in Personnel Administration Bulletin XVIII.

Monsanto

COMPANY

POLICY STATEMENT

- L. Sickness and Disability - Hourly Employees - The following governs supplementation of Workmen's Compensation payments and is available to all divisions and departments and their locations, and establishes the maximum benefits that may be paid.

An hourly-paid employee who is absent from work because of a job-incurred disability which was caused by equipment failure beyond the control of the employee or where the employee did not violate any existing safety rules, procedures or practices may receive compensation provided by the controlling Workmen's Compensation Law, plus a supplemental payment by the company, the total of which will equal the employee's wages based on a regular 40-hour work week.

In all other cases when an hourly-paid employee is absent from work because of a job-incurred disability which results from causes reasonably within the control of the employee or where the employee violated an existing safety rule, procedure or practice, he may receive compensation provided by the controlling Workmen's Compensation Law, plus a supplemental payment by the company, the total of which will be the same as the amount paid under the location's Nonoccupational Disability Plan.

In either case, there will be no waiting period or a waiting period not in excess of that required by the location's Nonoccupational Disability Plan, depending upon location practice or union contract. However, company payments may be extended to cover the waiting period in all cases where the absence continues for more than two weeks (14 consecutive days). The company payments may be made during the first year of such absence but not after Workmen's Compensation payments to the employee have ceased. Company payments may be continued at the request of the division general manager or central department director if approved by the Retirement Plan Committee. Requests for extension must be made before the expiration of the initial period.

- M. Employee Stock Purchase Plan - Provision has been made for employees to purchase Monsanto stock through payroll deduction. Details of the plan are set forth in "Monsanto Employees' Stock Purchase Plan."
- N. Vacations - Salaried Employees - Annual vacations with pay are granted to permanent salaried employees based upon credited service with the company. April 1 is the official beginning of the vacation year and vacations may be taken at any time during the vacation year of April 1 to March 31. The scheduling of vacations is subject to management approval.

Vacation eligibility during the first year of employment is computed on an accrual basis. Thereafter, a vacation with pay will

PLANNING AND FINANCE POLICY STATEMENTS

Scope

The financial policy of Monsanto is established by the Board of Directors based on recommendations by the Finance Committee.

These policies are taken into consideration in the evolution of both short- and long-term corporate practices in terms of the funds needed, the most desirable way to acquire these funds, the control over their expenditure and the appraisal of the results obtained. The company develops well defined financial plans which coordinate and control all activities of the business, leading to the attainment of approved objectives.

Established financial and accounting policies are to be observed by division general managers and central department directors in order to achieve the most profitable utilization of financial resources, proper accounting control, and uniform and accurate financial reporting of the company's activities.

Forecasting

Worldwide forecasts of anticipated sales, earnings, cash position and other factors affecting the financial position of the company are prepared to provide management with information for financial planning and control.

In order to have the best possible estimates of future total company capital expenditures, cash projections (including construction and investment programs) are prepared for all capital expenditures anticipated in the forward projections which are not currently covered by appropriation requests.

The divisions, departments and subsidiaries prepare forecasts of sales, income and SARE expense for the year subsequent to that covered by the annual budget. This forecast is revised quarterly to reflect revised outlook and to provide foundation and background for preparation of the next annual budget.

Planning

Long-term objectives and anticipated financial requirements and results on a worldwide basis are set forth in a business plan which is continuously updated and revised annually. The first year of the plan is prepared by quarters as a part of the annual budget preparation with financial information for the succeeding years, consistent with budget format.

Each operating division and central department provides Corporate Planning with a copy of their five-year plan prepared in accordance with previously agreed upon procedures. Such plans are maintained on a current basis and are revised whenever major changes in the planning strategy so dictate. Each division should have a system of implementing the plans, including a written method of checking performance against plan.

The separate plans of the divisions, central departments and international organizations are consolidated into an overall corporate forward plan. Consolidation takes place after intensive economic analysis of the several plans and elimination of inconsistencies and overlaps.

Annual Budgets

Operations of the company worldwide are planned and controlled through budgets prepared for the year by months, including an income budget to bring together and summarize planned revenues, costs and expenses together with a capital budget and a projection of financial position. When the budgets are approved, they become the essential financial control criteria governing company operations.

Each division and central department prepares an annual budget with information, as appropriate, on sales and income, selling, administrative, research, engineering and patent expense (SARE expense) for the ensuing calendar year.

As one of several performance measurements, division and central department performance is judged against approved budgets.

Acquisitions and Joint Ventures

Finance Department participation in acquisitions of other companies or in formation of joint ventures with other companies is mandatory. (See policy provisions on pages D-I-12, 13 and 14.)

Capital Appropriations

Capital expenditures for construction of plant facilities, acquisition of property, acquisition and installation of equipment, dismantlement and replacement of buildings and equipment are made only after approval of the specific project has been obtained. Approvals needed on specific projects are in accordance with the delegations of the Board of Directors. Included in capital appropriation requests will be summaries of major terms of any significant contracts (existing or proposed) which relate to the project. 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).

Monsanto

COMPANY

POLICY STATEMENT

A. Delegations of Authority

	Maximum Per Project	Monthly Av. Over Calendar Yr.
Executive Committee	\$1,000,000	\$2,500,000
President	400,000	-
Executive Committee Member	300,000	-

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	400,000
Organic Chemicals Division	100,000	550,000
Packaging Division	100,000	150,000
Plastic Products and Resins Division	100,000	217,000

Central Department Directors

Director of Central Engineering	25,000	35,000
Director of Central Personnel	25,000	35,000
Director of Central Research	50,000	62,500
Directors of Other Central Departments	7,500	-

Member Companies - Domestic

Monsanto Research Corporation	25,000	35,000
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B. Project Classification

Projects involving capital investment in fixed assets fall into two categories:

Major - Those projects requiring in excess of \$100,000 of new fixed capital.

Minor - Those projects requiring \$100,000 or less of new fixed capital.

C. Pre-Project Engineering and Procurement Expenditures

Certain engineering and procurement expenditures may be authorized prior to the approval of the capital appropriation request to meet planned project schedules. Pre-project expenditure approval limits

are within the following delegations of authority:

\$100,000 or less	Division General Manager
above \$100,000 to \$300,000	Senior Vice President, Operations

When the senior vice president, Operations grants pre-project authorizations, he informs the Executive Committee.

All such authorizations are recorded and form a part of the appropriation request when it is formally submitted for the project envisioned. Expenditures are carried in the construction in progress accounts of the company and reported along with comments, in the Statement of Property Additions.

D. Changes to Major Projects (Capital Expenditure Deviations - Over or Under)

Changes to approved major projects are known as deviations or variances. These are documented and accepted in accordance with CED Procedure 119. Responsibility for documentation of variances and control of capital costs on major projects is delegated to the director of Central Engineering.

E. Project Overruns and Underruns

Project appropriations are authorized based on economic projections which include those factors affecting capital cost which are known or can be foreseen at the time the appropriation estimate is made. Appropriation estimates are made on a "tight" basis to encourage economy and to discourage the inclusion in major projects of marginally profitable items.

1. Major Projects

- a. Formal Approval - In cases where capital cost is projected to deviate from the amount authorized by more than 10% or \$300,000, whichever is less, a supplemental appropriation request showing the new project amount is required for formal approval. The term "new project amount" includes the combined amount of original appropriation plus supplement(s). The new project amount is subject to formal approval within the delegated limits noted above, namely:

to \$300,000	Senior Vice President, Operations
to \$400,000	President
to \$1,000,000	Executive Committee
above \$1,000,000	Board of Directors

Monsanto

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

DATE : August 7, 1967

CC:

SUBJECT :

REFERENCE :

TO : HOLDERS OF THE MANAGEMENT GUIDE

Policy related to acquisitions of other companies and joint ventures undertaken with other companies has been revised. Responsibility, under delegation from the president, is carried by the Chairman of the Board. Participation by members of the Executive Committee and by Finance, Law and Patent Departments are spelled out.

The attached pages cover the policy changes noted above and are to be placed in your copy of the Management Guide:

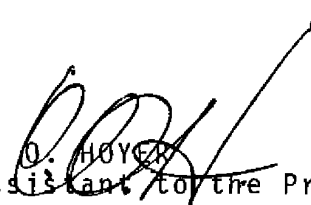
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C. O. HOYER
Assistant to the President

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 employees.

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 policy is to enter into joint projects with others only when such ventures integrate well with corporate strengths and long-term objectives, and when the contribution of both parties to the venture is such that the combined effort is necessary to provide return and growth for Monsanto when Monsanto would not or could not act alone.

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 requests of foreign governments. However, each joint venture will be studied on its own merits and, even though controlling interest shall be preferred, it is not intended that this preference will preclude a fifty-fifty or a minority interest.

The company does not normally grow by acquisition, except in specific instances which, after full review of all factors involved, are compatible with the law.

The chairman of the board, by delegation from the president, oversees the commercial development activities of the company including all acquisitions of other companies and joint ventures with other companies.

Specific policy regarding acquisitions and joint ventures is as follows:

1. Before any contact is made with employees or representatives of any other company or party, in all cases the chairman of the board shall be informed of all plans, programs, proposals, and projects that involve acquisitions or joint ventures. If the initial contact is made from outside the company, the chairman of the board shall be informed immediately after receipt of the contact.
2. The vice president, Finance, the director of the Law Department, and the director of the Patent Department provide continuous counsel to the chairman from inception of any inquiries or proposals, generated internally or externally, related to acquisitions or joint ventures.
3. The board chairman will review a proposal with the general manager or other concerned individual, and if the proposal is deemed to be of sufficient interest and falls within the objectives of the company, the chairman will inform and refer the matter to the Executive Committee. When the Executive Committee will have cleared and approved the business area or activity under consideration, and will have authorized further investigation and study of the idea, concept or plan, it shall be submitted to the director of the Law Department for study of possible antitrust implications, for advice on alternative methods of handling the transaction and on the terms and conditions that should be included in any proposal to protect Monsanto. Simultaneously, the proposed transaction shall also be referred to the Treasury Department for review and comments on financial and tax implications and to the Patent Department for consideration of patent and technological implications. No approaches to the principals or agents of any other company or party shall be arranged until the chairman clears the contact or the meeting and the assignment of participants is agreed upon.
4. Strategies and business plans with related information and data are to be developed and transmitted on a schedule such that the Executive Committee and the board have sufficient time to consider such proposals and arrive at informed and proper judgments.
5. No options or other commitments are to be made without the specific approval of the chairman and the Executive Committee.
6. Initial and all subsequent contacts, meetings, or negotiations will be carried out with a representative of the Law, Finance and Patent Departments present. These representatives will act as counsel. Other central departments will participate as necessary. The leader of the negotiating team and any participating Executive Committee members will be designated by the chairman of the board.

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7. Caution should be exercised in handling inquiries regarding Monsanto's interest in the acquisition of the stock or assets of another company. In particular, care should be taken so as to protect the company against liability for a "finder's fee" as a result of improper answers to such inquiries.

Attention is called to other policy statements relative to acquisitions:

- Compensation to outsiders for patents and technical information - Page D-II-11.
- Acquisition of technology - D-IV-2.
- Unsolicited offers to sell companies, plants, and/or sites from outside sources - D-IV-3.
- Finder's fee - D-IV-3.

Use of Company Name or Trade Names

The use of the company or corporate name "Monsanto" or any other corporate names or trade names is not permitted in the naming of any company or domestic or international subsidiary in which Monsanto does not have voting and financial control, directly or indirectly.

Before any subsidiary is permitted to use the word "Monsanto" in its corporate name or to use the corporate trademarks or trade names, a suitable agreement between the subsidiary and the company, prepared by the Patent Department, is executed to protect Monsanto's ownership interest in the word "Monsanto" and its trademarks and trade names.

Accidents

Prompt reporting of major accidents to Monsanto management and the Public Relations Department is required. General policy provisions follow:

- A. On Monsanto Premises - In the event of any serious accident, explosion, fire, labor disturbance or other major event affecting Monsanto employees, buildings, vehicles or other property, plant managers or other senior location executives should immediately notify their respective division general manager or department director and call a member of the Public Relations Department so that the headquarters may be fully informed. In the event a location manager is unable to reach his division general manager immediately, he will call the director or assistant director of the Public Relations Department.

- B. Involving Products in Transit - Notification of transportation accidents involving Monsanto products should be promptly and courteously accepted by any employee of the company. The following information, insofar as possible, should be relayed immediately to the senior executive of the location concerned (plant manager where product manufactured, district sales manager, etc.):

- location of accident
- products involved
- present status, e.g. leaks, spills, ruptures, fire, explosion, injuries
- name of notifier and means of further communications

The plant manager at the location of manufacture will be responsible for all subsequent action taken with regard to the accident. Specifically, he will initiate action to minimize further injury or loss of life, to minimize unfavorable publicity, and to effect immediate clean-up and salvage. The plant manager concerned will see that immediate notification of the accident is provided to the Distribution, Public Relations, Law, Medical, and Treasury Departments. Notification will also be given to Sales and the Safety Section of Central Engineering. Treasury will provide prompt notification to the insurance carrier.

Each plant manager shall have prepared a written procedure for the handling of transportation accidents involving products manufactured under his supervision. These written procedures should include a detailed discussion of each product that could become hazardous if involved in an accident during transportation.

- C. Involving Company Aircraft - In event of accident involving company aircraft, the pilot is responsible for prompt reporting to the manager, Aircraft Operations. If the pilot is unable to make the necessary contact, the responsibility falls on the senior Monsanto employee aboard the aircraft. The pilot or the senior employee, as the case may be, is responsible for the press relations that may immediately arise as a result of the accident.

In addition to notification to the manager, Aircraft Operations, immediate notification of the Public Relations Department is required. Insofar as possible, the following information should be provided:

- nature of accident
- location
- condition of passengers and crew, including name and location of hospital where hospitalization has been required
- plane involved and extent of damage
- name of contact at the scene and means of further communications

In case of injuries, names should not be released to the press until families have been notified.

The manager, Aircraft Operations or his alternate is required to notify the Law, Medical, and Treasury Departments. Treasury will provide prompt notification to the insurance carrier.

Corporate Procedures

Responsibility for preparation, determination of format, and distribution of required procedures is carried by the central departments and, where appropriate, the operating divisions. Such procedures are cleared with the assistant to the president to ensure conformance to company established policy.

Selected procedural topics may be covered, when circumstances warrant, directly from the Office of the President for inclusion in the Management Guide.

Labeling

Labeling provides product and corporate identity, together with company liability protection. Labeling includes the use of stick-on labels, printed bags, drums, cartons and boxes, and lithographed metal containers.

Label specifications are developed by Distribution, in liaison with the coordinator of Corporate Identity, Marketing Services, Law, Patent, Treasury, Medical, other marketing departments and the concerned division, as an integral program to ensure conformance with the corporate identity policy and compliance with federal and state regulations and optimum protection against product liability claims.

Product Registration

Where product registration with federal and/or state agencies is required for the sale of specified products, the Distribution Department handles the registrations and maintains complete files of same.

Packaging Development

Packaging development applies new packaging technology and materials to reduce package and handling costs and to improve product protection. Improved packaging technology is continuously sought and the central Distribution Department is directed to support and coordinate this activity throughout the company.

ADMINISTRATION POLICY STATEMENTS - LEGAL

General

The company adheres to the laws of the United States and of any states, international or domestic, in which it does business and endeavors to protect and defend its interests through available legal means. Business transactions or activities which may involve the company in potential liability are reviewed by the Law Department before initiation.

Government Contacts

Proposed contacts by employees with government personnel, relating to the company or its affairs except as to sales or technical matters, are reviewed by the Law Department plus others, as appropriate. Employees are not to discuss the company or its business with, or make company files available to, government representatives without obtaining such prior approval. However, the foregoing does not apply to exercise of a plant manager's discretion in admitting federal or state employees having a statutory right to enter for a plant inspection or investigation (providing they supply appropriate credentials) only in connection with health, safety, fire and the like. If a wage and hour inspection is begun at a company location, the Law Department should be immediately advised so that an attorney can be present or legal advice regarding the investigation can be provided.

The company handles all legal work internally, except when circumstances indicate that the Law Department retain and supervise outside counsel to handle litigation or specialized matters.

The Law Department reviews all cases requiring litigation abroad. International litigation is conducted by the Law Department (or Patent Department where assigned). Arrangements for international legal counsel or representation are made by the Law Department after appropriate contact with the International Division.

Contract Files

A master file of important contracts and other significant documents is maintained by the corporate secretary.

Acquisition and Joint Ventures

Law Department participation in acquisitions of other companies or in formation of joint ventures with other companies is mandatory. (See policy provisions on pages D-I-12, 13 and 14.)

experience or information confidential to or of interest to Monsanto is the property of the employee. All fees or royalties resulting therefrom accrue to the employee.

In order to avoid any misunderstanding or confusion, employees planning to prepare material which may be copyrighted are to advise, in writing, an officer of Monsanto, division general manager, or central department director in keeping with his organizational assignment. Such notifications are given prior to the time work is initiated. Depending on the subject matter involved, the company may require a screening by the Law and Patent Departments prior to release to printers or publishers.

- C. Prepared Under Other Circumstances - From time to time employees will prepare copyrightable material involving confidential information pertinent to Monsanto interests or will utilize Monsanto experience or working time in their preparation. Such material, as well as all other cases that do not clearly fall within the provisions of paragraphs A or B above, is reviewed on a case-by-case basis by the Patent Department which is responsible for determining proper copyright ownership.

In all instances of preparation, printing, copyrighting and publication of materials by Monsanto employees, the provisions of the Security Manual (see Section F, item XVI of the Management Guide) apply.

Handling of Unsolicited Suggestions from Outside Sources

There is always potential danger in accepting or discussing unsolicited suggestions made by outsiders since the same or similar suggestion, made by employees, may already be under development within the company. If the unsolicited suggestions are later adopted, without proper prior clearance, the outsider may hold that the development in question is based on his suggestion with resultant legal entanglements.

All suggestions from outsiders which pertain to activities of the company such as new products and processes, improvement of present operations and products, trademarks, slogans, advertising themes and the like, are immediately referred to the Patent Department before delivery to any other organization unit for proper clearance and understanding with the outsider. When a proper understanding is reached, the Patent Department forwards the suggestion to other concerned organization units to pursue.

Research Notebooks

Research notebooks provide proof of representations made in patent activity. See policy statement D-X-5 for further information.

Acquisitions and Joint Ventures

Patent Department participation in acquisitions of other companies or in formation of joint ventures with other companies is mandatory. (See policy provisions on pages D-I-12, 13 and 14.)

Unsolicited Offers to Sell Companies, Plants and/or Sites from
Outside Sources

All unsolicited sales offers from outsiders which pertain to companies, plants and/or sites are referred immediately to the Office of the President. All answers to such unsolicited sales offers are reserved to the president or his delegate.

Finder's Fee

Care should be taken to protect the company against liability from any unintended finder's fee. To avoid unexpected claims by outsiders for such a fee, the question should be considered and resolved at the earliest practicable time. The Law Department is to be consulted and will prepare any required instrument for execution by the appropriate parties prior to any negotiations that may form the basis of a claim for such fees. See also policy statement - Acquisitions and Joint Ventures - page D-I-12.

Acquisitions and Joint Ventures

After proper clearance by the chairman of the board and subsequently by the Executive Committee, the division general manager or other executive concerned with a new enterprise, new venture, or acquisition of a business will arrange for participation in ensuing discussions and negotiations by representatives of the Law, Treasury, and Patent Departments. (See also policy provisions on pages D-I-12, 13 and 14.)

PLANNING AND FINANCE POLICY STATEMENTS

Scope

The financial policy of Monsanto is established by the Board of Directors based on recommendations by the Finance Committee.

These policies are taken into consideration in the evolution of both short- and long-term corporate practices in terms of the funds needed, the most desirable way to acquire these funds, the control over their expenditure and the appraisal of the results obtained. The company develops well defined financial plans which coordinate and control all activities of the business, leading to the attainment of approved objectives.

Established financial and accounting policies are to be observed by division general managers and central department directors in order to achieve the most profitable utilization of financial resources, proper accounting control, and uniform and accurate financial reporting of the company's activities.

Forecasting

Worldwide forecasts of anticipated sales, earnings, cash position and other factors affecting the financial position of the company are prepared to provide management with information for financial planning and control.

In order to have the best possible estimates of future total company capital expenditures, cash projections (including construction and investment programs) are prepared for all capital expenditures anticipated in the forward projections which are not currently covered by appropriation requests.

The divisions, departments and subsidiaries prepare forecasts of sales, income and SARE expense for the year subsequent to that covered by the annual budget. This forecast is revised quarterly to reflect revised outlook and to provide foundation and background for preparation of the next annual budget.

Planning

Long-term objectives and anticipated financial requirements and results on a worldwide basis are set forth in a business plan which is continuously updated and revised annually. The first year of the plan is prepared by quarters as a part of the annual budget preparation with financial information for the succeeding years, consistent with budget format.

Each operating division and central department provides the Central Planning, Evaluation and New Ventures Department with a copy of their five-year plan prepared in accordance with previously agreed upon procedures. Such plans are maintained on a current basis and are revised whenever major changes in the planning strategy so dictate. Each division should have a system of implementing the plans, including a written method of checking performance against plan.

The separate plans of the divisions, central departments and international organizations are consolidated into an overall corporate forward plan. Consolidation takes place after intensive economic analysis of the several plans and elimination of inconsistencies and overlaps.

Annual Budgets

Operations of the company worldwide are planned and controlled through budgets prepared for the year by months, including an income budget to bring together and summarize planned revenues, costs and expense together with a capital budget and a projection of financial position. When the budgets are approved, they become the essential financial control criteria governing company operations.

Each division and central department prepares an annual budget with information, as appropriate, on sales and income, selling, administrative, research, engineering and patent expense (SARE expense) for the ensuing calendar year.

As one of several performance measurements, division and central department performance is judged against approved budgets.

Acquisitions and Joint Ventures

Finance Department participation in acquisitions of other companies or in formation of joint ventures with other companies is mandatory. (See policy provisions on pages D-I-12, 13 and 14.)

Capital Appropriations

Capital expenditures for construction of plant facilities, acquisition of property, acquisition and installation of equipment, dismantlement and replacement of buildings and equipment are made only after approval of the specific project has been obtained. Approvals needed on specific projects are in accordance with the delegations of the Board of Directors. (Procedural details covered in Controller's Bulletin 12-02).

Monsanto

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

DATE May 29, 1967

CC:

SUBJECT

REFERENCE

TO :
HOLDERS OF THE MANAGEMENT GUIDE

Current changes to the Management Guide are attached. Outlined below is a brief summary of these changes:

** COMMITTEES (Section C-I)

Audit Committee, C-I-7 - J. S. Rockefeller added to the Committee.

Governmental Affairs Committee, C-I-8 - Deleted pending revision of the Committee's scope and membership.

** EXECUTIVE (Section C-II)

President, C-II-5 - Addition to description which notes that the president designates areas of interest in which members of the Executive Committee will represent the Office of the President.

Vice President and Member of Executive Committee (principal sphere of interest international activities), C-II-9 & 10 - dated 2/66 - Delete. This description is renumbered C-II-13 to fit proper sequence.

Senior Vice President, Operations, C-II-9 & 10 - New position description.

Vice President and Member of Executive Committee (sphere of interest world-wide manufacturing, engineering and personnel), C-II-13 & 14 dated 2/66 - Delete.

The following executive organization charts should be deleted. Revisions are pending:

Executive
Governmental & Civic Affairs

C-II-2, dated 11/66.
C-II-23, dated 11/66.

** DIVISIONS (Section C-III)

Division General Manager, C-III-5 - Revised

Division General Manager - Degrees of Authority, C-III-8 thru C-III-14 - Degree definitions rewritten and international authorities included for the first time (see page C-III-10).

The following division organization charts were revised:

Agricultural Division	C-III-16
Hydrocarbons & Polymers Division	C-III-18
(Delete C-III-17, dated 11/66 - Revised chart pending.)	
Inorganic Division	C-III-20
Organic Division	C-III-21 & 22
Packaging Division	C-III-23 & 24
Plastics Products & Resins Division	C-III-26
Textiles Division	C-III-27
(Delete Charts C-III-28 & 28.1, dated 7/66.)	

** CENTRAL DEPARTMENTS (Section C-IV)

Director of Central Personnel Department, C-IV-14 - Position description revised to delete responsibilities for methods, systems and procedures activities.

The following central department charts were revised:

Accounting Department	C-IV-8
Central Engineering Department	C-IV-12
Distribution Department	C-IV-28 & 29
Management Information & Systems Department	C-IV-40 & 41
Public Relations Department	C-IV-59 & 60
Purchasing Department	C-IV-64

** POLICY STATEMENTS (Section D)

Administration - Travel, D-II-19 & 20 - Minor changes in wording in paragraphs C and E.

Commercial Development, D-IV-2,
Manufacturing - International Manufacturing, D-VI-4 and
Marketing - International Marketing Strategies, D-VII-3 - These policy statements revised to conform with previously issued international policy statements.

Employment of Relatives, D-VIII-2 - Salary grade reference changed from G to 17.

Separation Allowance, Salaried Employee, D-VIII-7 - Personnel Administration Bulletin reference changed from R-3 to R-2.

Employee Real Estate, D-VIII-15 - Policy statement changed to reflect information published in revised Personnel Administration Bulletin VI.

Please place this material in your copy of the Management Guide and destroy all pages deleted.

C. O. HOYER
Assistant to the President

Monsanto

COMPANY

TECHNICAL COMMITTEE

Monte C. Throdahl, Chairman
John M. Depp Jr. Edward A. O'Neal
John L. Gillis Charles Allen Thomas
Richard S. Gordon J. Russell Wilson
Arthur W. Lucas

Carl O. Hoyer, Secretary

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

AUDITING COMMITTEE

Fredrick M. Eaton James S. Rockefeller

Arthur W. Lucas, Secretary

BONUS COMMITTEE

Reports to: Board of Directors

FUNCTIONS

1. Interprets and administers the company's bonus plan.

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COMPANY

2. Determines recipients and amounts of bonus awards, subject to the terms of the plan.

BONUS COMMITTEE

Charles Allen Thomas, Chairman
Dillon Anderson Edgar M. Queeny

Carl O. Hoyer, 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
John L. Christian Dan J. Forrestal
Patrick J. Dowd

Robert F. McCoolle, Secretary

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. Controls headquarters site expenses.
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
Edward J. Bock
John M. Depp Jr. Carl O. Hoyer

Clarence E. Franke, Secretary

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COMPANY

OFFICE STANDARDS COMMITTEE

Reports to: Headquarters Site Administration Committee

FUNCTIONS

As a subcommittee of the Headquarters Site Administration Committee, sets standards, reviews and approves requests for accommodations at the headquarters site to assure conformance with design criteria and standards for space allocation.

OFFICE STANDARDS COMMITTEE

William B. Daume, Chairman
Edward J. Bock Carl O. Hoyer

Clarence E. Franke, Secretary

HOUSING COMMITTEE

Reports to: President

FUNCTIONS

1. Formulates and recommends policy regarding purchases and sales of houses of employes, incident to transfers.
2. Administers programs.

HOUSING COMMITTEE

Patrick J. Dowd, Chairman
Edward J. Bock Norvell G. Jones
William B. Daume

Robert B. Chapman, Secretary

POSITION TITLE President

REPORTS TO The Board of Directors

FUNCTION

Serves as chief executive officer of the company and exercises broad leadership of the total worldwide business entity. Carries responsibility for implementing all orders and resolutions of the Board of Directors. Guides the development of major policies to govern the operations of the company. Directs the activities of the corporate entity and is responsible 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. Makes recommendations directly to the Board of Directors or to the Executive Committee on utilization of company funds, new investment opportunities, and on general policies and business objectives.
2. Ensures that specific policies, programs, and methods are designed to implement the general policies and business objectives established by the Board of Directors.
3. Develops and administers a sound plan of organization and nominates officers of the company for election by the Board of Directors.
4. Approves personnel policies for the company; determines programs for executive development and approves the selection and promotion of executive personnel.
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.

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POSITION TITLE President

7. Analyzes and appraises regularly and systematically the effectiveness of company operations; causes post-project performance appraisals to be made of approved and operating 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 employees.
12. Designates the areas of interest in which members of the Executive Committee will represent the Office of the President.
13. Serves as chairman of the Executive Committee and Budget Committee and is a member of the Board of Directors and the Finance Committee. Per the corporate By-laws serves as an ex-officio member of all other standing committees of the Board of Directors.

POSITION TITLE Senior Vice President, Operations

REPORTS TO President

FUNCTION

Acts as direct extension of the chief executive officer in managing the company's operating divisions worldwide. Works with operating division general managers to achieve the results required to meet company objectives and sees that standards of performance are properly set and maintained. Provides leadership which permits operating divisions to function autonomously within optimum delegations of authority and accountability. Combines individual division activities into a coordinated effort to attain targeted results. Ensures appropriate communication and cooperation between the operating divisions and the central departments and sees that central department services are properly utilized by division management.

DUTIES

1. Reviews, endorses, coordinates, and follows up divisions' forward planning, including capital investment plans, to ensure continuing favorable competitive position and satisfactory rate of return on committed capital.
2. Establishes manufacturing performance criteria and policy for costs, quality, quantity and safety.
3. Establishes divisional marketing performance criteria and policy to judge effectiveness of marketing operations; coordinates marketing management with and through the vice president, Marketing.
4. Determines rate of expenditure and level of effort for operating divisions 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.
5. Reviews division performance against plans; discusses with division management needs for corrective action; follows up to ensure improved performance.
6. Ensures that divisions provide adequate development of new enterprises to offset declines from maturing or obsolescent operations.
7. Identifies and recommends to the president abandonment of specific products, programs, or operations as circumstances warrant.

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Monsanto

COMPANY

POSITION DESCRIPTION

POSITION TITLE Senior Vice President, Operations

8. Ensures that operating expertise from the divisions is 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 chief executive officer and with Executive 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 Executive Committee and Board of Directors; serves also as a member of the Budget, Project Performance, Retirement Plan, Corporate Membership, and Salary Committees.

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POSITION TITLE Vice President and Member of Executive Committee

REPORTS TO President

FUNCTION

Serves as a general executive of the company whose principal sphere of interest is international activities. Coordinates for the president Monsanto's operations and activities in areas outside the United States. Provides advice, counsel and guidance to the International Division, operating divisions and central departments regarding international matters. Serves as a member of the Executive Committee and provides the channel for recommending and establishing the international operations policies of Monsanto.

DUTIES

1. Provides executive counsel and guidance to the general managers of the operating divisions and to the central department directors regarding international matters and ensures their observance of the company's international operations policies.
2. Advises the president regarding international operations goals and objectives; participates in the preparation of, and makes specific proposals regarding, short- and long-term company objectives.
3. Serves as the principal executive counselor and advisor for the International Division for resolution of major problems and for the formulation of international operations policy.
4. Provides support to the International Division in its business management of the company's international investments through relationships with executives of Monsanto's international companies.
5. Resolves differences that may arise when the common product concerns of the operating divisions appear to be at variance with the business entity objectives of the International Division.
6. Promotes a climate within Monsanto for high motivation with regard to international activities to stimulate the accomplishment of international corporate objectives.
7. Ensures the selection of key personnel who in the future will assume responsibility for major aspects of the company's international operations.

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Monsanto

COMPANY

POSITION DESCRIPTION

POSITION TITLE Vice President and Member of Executive Committee

8. Recommends to the president and in turn to the Executive Committee policies covering Monsanto's international operations.
9. Ensures the preparation and maintenance of a sound and rewarding personnel policy governing international assignments and services; recommends specific personnel policies as required.
10. Serves as a member of the Board of Directors and of the Executive Committee.

POSITION TITLE Division General Manager* - Common Responsibilities

REPORTS TO Senior Vice President, Operations

FUNCTION

Serves as chief operating officer of the division with worldwide product profit responsibilities. 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 present products and to develop new products, processes and markets. Ensures that divisional activities conform to established corporate policies and procedures. Develops organizational plans and management to achieve the division's objectives.

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 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 senior vice president, Operations.
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 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; clears major marketing programs with the vice president, Marketing and coordinates such plans and budgets with the Marketing Services 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 senior vice president, Operations 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.

POSITION TITLE Division General Manager - Common Responsibilities

19. Directs manufacturing operations in conformance with air and water pollution standards established by the company and regulatory agencies. Consults on pollution problems with the concerned central departments.
20. Directs marketing programs and carries out public relations responsibilities within established policy and conforms to the established Corporate Identity Program.

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COMPANY

Division General Manager* - Degrees of Authority

In order to clarify the authorities of the general manager and the resulting responsibilities and accountability, five degrees of authority are defined. These degrees are assigned to the various areas of activity. The activities listed are not inclusive and are designed for use only as a guide or reference for general managers in determining their authority.

Degree 1 - Independent Authority for Action

The general manager has authority to take action subject only to limitations of corporate policy. Responsibility and accountability for such action resides with the general manager.

Degree 2 - Independent Authority for Action After Consultation

The general manager has authority to take action only after advising or obtaining counsel from the appropriate Executive Committee member or other company personnel (in International Division, central departments or other). Such counsel may not be determinate in the course of action, therefore, responsibility and accountability remains with the general manager.

Degree 3 - Shared Authority for Action

The general manager has authority to take action after approval of the Executive Committee, appropriate Executive Committee member or other company personnel (in International Division, central departments or other). Responsibility and accountability for action is shared between the general manager and the coapproving authority.

Degree 4 - Prior Consultation - No Authority

The general manager is advised or consulted prior to action taken by the Executive Committee, appropriate Executive Committee member or other company personnel (in International Division, central departments or other). The general manager has no authority for action but may be responsible and accountable for carrying out the action as it applies to the division.

Degree 5 - No Authority

The general manager has no authority for action and resulting responsibility or accountability. The authority resides with the Executive Committee, appropriate Executive Committee member or other company personnel (in International Division, central departments or other). The general manager refers these matters to the appropriate approving authority as required.

* Except for International Division

Monsanto COMPANY

General Manager
Degree of Authority

A. GENERAL ADMINISTRATION

Major organizational plans -----	3	
Selection, appointment or change in top division management personnel -----	2	- 3
Division plans and objectives -----	3	
Policy matters (interpretations-exceptions) -----	4	
Safety -----	2	
Disaster plans -----	2	
Ethical conduct of business -----	1	
Civic affairs -----	2	
Governmental relations -----	4	
Central department personnel assigned to a division (personnel matters) -----	3	
Joint divisional matters -----	3	
Company memberships -----	4	

B. ACCOUNTING

Budgeting (within corporate budget policies) -----	2	
Corporation accounting -----	5	
Divisional accounting -----	2	
Plant and cost accounting (application, scope, practice and procedure) -----	2	
Interdivisional transfer of goods and investment:		
Within established policy -----	1	
Outside established policy -----	3	
Inventory evaluation and devaluation:		
Minor (up to \$10,000) -----	1	
Major (over \$10,000) -----	4	

C. COMMERCIAL DEVELOPMENT

Regenerative and expansion projects -----	1	
New enterprise field of activity or investigation -----	3	
New enterprise projects in approved fields:		
Minor (up to \$100,000) -----	1	
Major (over \$100,000) -----	3	

D. DISTRIBUTION

Rate negotiations and carrier selection -----	4	
Route and mode selection -----	3	
Miscellaneous carrier relationships, claims, freight bill audits, etc. -----	4	
Price negotiation and supplier selection for tank and hopper cars -----	3	- 4
Packaging (design only) -----	2	

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C O M P A N Y

Labeling -----	3
Product registration -----	4

E. ENGINEERING

Projects over \$100,000:

Project definition -----	2
Appropriation Request Capital Estimate -----	4
Appropriation Request -----	2
Definitive design -----	4
Process -----	4
Mechanical - civil -----	4
Drawings -----	4
Purchase Orders -----	4
Contracts -----	4
Construction -----	4
Pre-start-up checkout -----	4
Start-up and corrections -----	2
Insurance and safety reviews -----	3
Design and equipment standards -----	4
Utilities planning -----	3
Site selection -----	2

F. INFORMATION SYSTEMS

Purchase, lease or rental of data processing, computer and unit record equipment -----	3
Communications and data transmission equipment and facilities (purchase-lease):	
Local -----	2 - 3
Intercity -----	3
Data processing standardization -----	2 - 3
Standardized codes -----	3
Operations research programs and applied mathematics --	2
Computer scheduling and utilization (central) -----	4
System development -----	2
Headquarters site -----	3

G. INTERNATIONAL

Worldwide product strategies - assigned products -----	2
Worldwide market and customer strategies -----	3
Ex-U.S. marketing:	
Product policy and pricing -----	2
Order and billing, U.S. exports -----	4
Field sales, ex-U.S. -----	4
Area market strategies -----	4
Commercial development:	
Assigned products -----	2
New unrelated products -----	5

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Monsanto

C O M P A N Y

Research conducted ex-U.S. - assigned products -----	3
Investments ex-U.S.:	
Product line -----	3
Manufacturing sites, plant services, utilities, etc.-	5
Product line management -----	1
Management of member companies ex-U.S. -----	5
Personnel administration of employees serving ex-U.S. --	5
Contacts with agencies of foreign governments -----	4

H. LAW

Legislation -----	4
Litigation (excluding patent litigation):	
Initiation -----	3
Prosecution and defense -----	5
Negotiation and drafting of agreements (technical	
contracts via Patent and Law Departments) -----	3
Antitrust -----	3*
Corporate matters -----	5
Government contracts - legal aspects -----	3
Labeling -----	3
Legal and litigation matters and problems not other-	
wise listed -----	3

I. MARKETING

Advertising:	
Corporate - involving a division -----	3
Corporate - other -----	5
Product advertising -----	2
Advertising programs -----	3
Outdoor signs - Corporate Identity -----	3
Selection of advertising agencies -----	4
Rolling stock identification - Corporate Identity ---	4
Sales budget -----	2
Sales volume and sales plan -----	1
Pricing -----	2
Product and field sales management -----	1
Major sales contracts -----	2 - 3
Sales and market development management, manpower	
count and assignment, project selection -----	2
Marketing research -----	2

* Subject to company policy as reflected in statements of management, including the president's memo of September 27, 1961. See "Compliance with Antitrust Laws" under general policy, page D-I-4.

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Monsanto

C O M P A N Y

Sales incentives, compensation plans, etc. -----	2
Finished goods inventory management -----	1
Packaging -----	2
Labeling - Corporate Identity -----	3
Product line - additions and deletions -----	3

J. MEDICAL

Establish health standards -----	3
Direct health maintenance of employees -----	1
Obtain, assemble and interpret toxicology data on products and disseminate such data -----	3
Select and supervise medical and industrial hygiene personnel -----	3
Maintain healthful working environment -----	1
Sick leave control:	
Programs -----	3
Implementation -----	1
Labeling - medical aspects -----	3
Pollution abatement control programs -----	3
Maintain relationships with appropriate governmental, research, public and private agencies in fields of industrial health, toxicology and pollution control ---	3

K. PATENT

Patent application and interference settlements (via Patent Department) -----	3
Licensing - domestic and foreign (via Patent Department) -----	3*
Technology exchanges (via Patent Department) -----	3
Trademarks (via Patent Department) -----	3*
Technical contracts (via Patent and Law Departments) --	3*
Litigation of patents, trademarks, trade names and copyrights (via Patent Department) -----	3*
Handling of unsolicited suggestions -----	4

L. PERSONNEL

Salary administration - within Salary Plan:	
Part I (except general increases) -----	1
Part II -----	1
Labor relations:	
Within corporate policy -----	1
Outside corporate policy -----	3
Union contract negotiations outside limits -----	3

*Except that foreign transactions are subject to review and approval
by the International Division.

Monsanto

C O M P A N Y

Wage administration -----	1
General increase - adjustment -----	3
Employe benefits -----	4
Position titles -----	3
Bonus and stock option -----	4
Recruitment:	
Technical -----	2
Non-technical -----	1
Management development and training -----	2

M. PUBLIC RELATIONS

Community relations:	
Plants or offices except in St. Louis area -----	1
St. Louis area -----	3
Corporate relations (including press) -----	5
Product publicity:	
Selection of products -----	1
Releasability of publicity -----	4
Product publicity personnel -----	3
Press, radio - TV relations:	
Non-local -----	4
Local (plant or office except St. Louis area) -----	2
Emergency communications -----	4
Financial communications -----	5
Shareowners relations -----	5
Internal communications:	
Material of local interest -----	1
Material of interest to other company units -----	3
Corporate material -----	5
Corporate publications (Monsanto Magazine, etc.) -----	5
Photography (stills, motion pictures, film distribution) -----	4
Review and clearance of speeches and articles for outside publication -----	2
Company contributions:	
Divisional except in St. Louis area -----	2
Corporate -----	5

N. PURCHASING

Major contracts involving legal and policy matters ----	3
Selection of suppliers -----	3
Vendor endorsements -----	4

O. RESEARCH AND DEVELOPMENT

Planning, execution and evaluation -----	2
New, regenerative and expansion projects -----	1
Outside research or development -----	1

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Monsanto

C O M P A N Y

Patent budgets -----	2
Research personnel -----	4
Priorities for patent program -----	2
Know-how exchange, purchase, sale (via Patent Depart.):	
Up to \$100,000 -----	2
\$100,000 and over -----	3
Joint research programs -----	3
Technical efforts:	
Existing products -----	1
New enterprise projects in approved fields:	
Minor (up to \$100,000) -----	1
Major (over \$100,000) -----	3
Expansion, transfer or termination of programs:	
Interdivision -----	3
Intradivision, department -----	1
Central Research liaison -----	2
Foreign research liaison (via Central Research) -----	2
Publications -----	2

P. TREASURY

Credit, including credit to international and domestic subsidiaries, associated and affiliated companies, within reasonable limits and company policy -----	3
Procurement of capital funds -----	5
Bank relations and control of bank balances -----	5
Insurance -----	5
Taxes:	
Federal social security, withholding, excise and miscellaneous -----	5
Federal income -----	5
State income, franchise, intangible and miscellaneous -----	3
Local property and miscellaneous -----	3
State unemployment compensation -----	5
Investment of company excess or free funds -----	5
Real property purchase, lease or sale -----	3
Employee Stock Purchase Plan -----	5
Net finance leasing -----	3

ADMINISTRATION POLICY STATEMENTS - TRAVEL

Employees Traveling on Company Business

Employees required to travel on company business are reimbursed for all reasonable expenses incurred such as transportation, room, meals, laundry, valet service, telephone, telegraph, postage and tips. A standard detailed expense report is submitted within one week maximum after completion of the trip by each employee covering each business trip. If requested, funds are advanced to cover anticipated expenses.

Service is provided in arranging schedules and reservations for employees and for guests of the company.

Authorized Air Travel and Restrictions

- A. Domestic Commercial Air Travel - Personnel on company business will use tourist accommodations if such are available at the desired time of departure, except when family plan accommodations are used and the first class rates are cheaper.
- B. Overseas Commercial Air Travel - Use of airplanes for trans-oceanic travel is favored on company business. For trips overseas, economy class will be requested and used when available.
- C. Company Aircraft - Monsanto maintains and operates company-owned or company-leased aircraft to expedite travel on company business and reduce costs through conservation of time.

Aircraft allocated to operating divisions are reserved primarily for Sales Department use with customers.

When company planes are used, pilots have absolute authority as to whether flying conditions permit safe travel. Company pilots are responsible for complying with regulations pertaining to the periodic grounding of planes for maintenance work.

The following time limitations are established for the company pilots: on-duty, 12 hours in any 24-hour period; flying time, 8 hours in any 24-hour period; 8 hours minimum off-duty time between flights terminating at night followed by a flight commencing the next day.

- D. Employee-Owned or Employee-Leased Aircraft - Employees traveling on company business may pilot their own or individually rented and/or leased aircraft only with the specific authorization of the assistant

to the president obtained through the general manager or director. This is in accordance with the Treasury Department procedure entitled "Use of Employee Aircraft on Company Business," as authorized by the Executive Committee. Under no circumstances does Monsanto or the leasing company furnish the pilot for such employee-owned or employee-leased aircraft.

- E. Charter Aircraft - Employees are required to obtain the approval of the manager, Aircraft Operations prior to chartering aircraft for necessary business travel. In emergencies or where special business circumstances dictate, directors or above are authorized to charter aircraft without prior approval. Approved charter flights are restricted to FAA certified "air taxi" operators, providing two-pilot, multi-engine aircraft only.

Travel in the Same Vehicle

No more than three members of each of the following categories, nor more than a combined total of four members of these categories, may travel in the same vehicle:

Members of the Board of Directors
Members of the Executive Committee
General Managers
Central Department Directors

In addition, no more than three members of the following categories, counting members of the Board of Directors and the Executive Committee, nor more than a total of six members of any combination of these categories, may travel in the same vehicle:

Line or Staff Directors of Central
or Operating Organizations

Finally, no more than three members of any one division or department with the equivalent rank of department head or above may travel in the same vehicle.

Automobile Travel

- A. Company Cars on Company Business - Whenever possible, company owned or leased automobiles are used on regular company business when such transportation is more expedient. The terms "company car" and "company automobile" include automobiles owned, leased or rented by the company.

COMMERCIAL DEVELOPMENT POLICY STATEMENTS

General Policy

Commercial development is identified as a separate function through which research results, technical developments, marketing expertise and other unique capabilities of the company are brought to profitable commercialization. Commercial development provides the focal point for the continuing search for new markets and new enterprise needs which meet the company's profit goals and objectives.

Commercial development depends primarily on growth from within, but purchase of technology, exploitation of the patent estate, and other outside investments are each a part of the total strategy requirements for sound, continuing business growth.

Generally, commercial development efforts are oriented toward those ventures which, when commercialized:

- will circumvent and will be reasonably secure from competitors' actions;
- will enhance the identification of the company in the market and in the investment community;
- will be in markets characterized by frequent purchase and repeat sales, with minimal seasonal fluctuations;
- will be closer to the ultimate customer via direct promotion and market franchise;
- will be based on unique advantages of patent protection, sophisticated technology, preferential market position, or capital investment requirements.

Division Commercial Development Activities

Operating divisions carry out commercial development activities in their assigned product areas. Commercial development efforts involving new business fields (new enterprises) require the prior approval of the Executive Committee where cumulative cost is foreseen or estimated to total \$100,000 or more for each separate effort. (A similar requirement for Executive Committee approval of R & D effort in totally new product areas will be required where the cumulative cost is projected to total \$100,000 or more.) Major new enterprise proposals are to be submitted in the form of business plans through the concerned Executive Committee member. Subsequent changes in approved new

enterprise plans require clearance with the concerned Executive Committee member prior to implementation.

When any expenditure, regardless of amount, is committed to entirely new fields of interest, the Executive Committee will be informed.

Operating divisions conduct commercial development activities in both domestic and freeworld international areas equal to and as an adjunct to their R & D, manufacturing, and marketing responsibilities. The International Division supports commercial development through the continuous search for profitable business opportunities in areas outside the United States.

Commercial Development Beyond the Divisions' Areas of Interest

New ventures are areas of new business activity which are beyond the scope of current division or member company operations. Recommendations regarding any new venture are reviewed by the New Ventures Committee. Where new technology is involved, a review by the Technical Committee is also required. Proposals for action are forwarded by the New Ventures Committee to the Executive Committee for approval. Included with the recommendations of the New Ventures Committee will be proposed budgets and business plans for such undertakings.

Each approved new venture activity is operated as a profit center with accountability to the chairman of the New Ventures Committee for attainment of budgeted results and progress toward profit objectives. Changes in approved new venture projects require clearance with the concerned member of the Executive Committee prior to implementation.

Disposition of new venture projects is recommended to the Executive Committee by the New Ventures Committee including organizational placement of operating new venture entities.

Research and development technical projects involving new business areas are screened by the Technical Committee and approved by the Executive Committee prior to implementation (as outlined in Policy Section D-X).

Acquisition of Technology

Acquisitions of technology from outside the company are made when to do so demonstrably strengthens the company's position in a market, provides a sound economic means of accelerating our entry into a market or into providing a new service. The policy of the company is directed toward growth from within, but acquisitions of technology may be considered in specific instances.

Unsolicited Offers to Sell Companies, Plants and/or Sites from
Outside Sources

All unsolicited sales offers from outsiders which pertain to companies, plants and/or sites are referred immediately to the office of the president. All answers to such unsolicited sales offers are reserved to the president or his delegate.

Finder's Fee

Care should be taken to protect the company against liability from any unintended finder's fee. To avoid unexpected claims by outsiders for such a fee, the question should be considered and resolved at the earliest practicable time. The Law Department is to be consulted and will prepare any required instrument for execution by the appropriate parties prior to any negotiations that may form the basis of a claim for such fees. See also policy statement - Acquisitions and Joint Ventures - page D-I-12.

posed improvements demonstrate increased yields; reduced manufacturing maintenance; reduced costs; improved quality or uniformity of product; increased safety; or other benefits. Full concurrence of the groups whose responsibilities are concerned is obtained before process modifications are adopted.

Operating Instructions

To ensure that products meet authorized specifications, operating instructions are set up to control production. Operating instructions specify equipment, process variables, machine settings and limits, quality standards and critically necessary sequences of processing operations. All operating instructions are reviewed annually and revised whenever operating changes are made.

Packaging

Packages and containers are designed and constructed to facilitate handling and to protect the product adequately during shipment. Packages and containers are properly marked to identify the product and the manufacturer. Trademarks and other information on the package or container conforms to Patent and Legal requirements and to the Corporate Identity program. Where possible, package and container design meets customer requirements. All packages and containers are shipped to customers in a neat, clean condition to be a credit to Monsanto.

Developmental and Nonstandard Products

Maintenance of the company's competitive position requires the manufacture and evaluation of developmental and nonstandard products. Suitable facilities for such operations are provided.

By-Products

By-products of manufacturing processes are regularly identified, segregated and offered for sale in the balanced best interest of the company, subsidiaries and affiliates.

Cost Reduction Programs

Successful cost reduction programs are essential to the continued economic growth of the company. Such programs may include changes in manufacturing methods or processes as well as more efficient utilization of manpower, equipment, utilities and facilities. All such programs are subject to established procedures for making changes in manufacturing methods or processes and assignment of personnel.

Manufacturing Standards

Manufacturing standards for specific markets are established and adopted for protection of product quality and efficiency of operation. Adequacy of these standards is determined and evaluated on the basis of worldwide market requirements, customer satisfaction, industrial practice and the ability to attain them.

International Manufacturing

The International Division through area management groups guides ex-U.S. member companies in carrying out their assigned manufacturing responsibilities. Operating divisions accountable for the profit results for assigned products, develop product strategies and provide technical support to these manufacturing operations. Licensing agreements and the sale or exchange of technical information between ex-U.S. companies and operating divisions are entered into with the knowledge of the International Division and carried out in accordance with established procedures. See Administrative policy statement - Patent - page D-II-9.

Selection of Plant Sites

The division general manager carries primary responsibility for the selection and recommendation to the senior vice president, Operations for the acquisition of new plant sites.

Investment in Plant Sites

Investment in plant sites is distributed to the divisions on the following basis:

Charges for the portion of the site actually occupied and used as operating facilities by any division is made to that division.

Charges for any unoccupied portion of the site is distributed to all manufacturing divisions on the same formula used for central office expense.

Site Development Plan

Each location originates and maintains a site development plan using assistance from the Engineering Technology and Services branch of Central Engineering. This plan is designed to minimize loss exposure through proper design and arrangements of equipment and facilities.

Advertising and sales promotion for all divisions and subsidiaries is handled through the Marketing Services Department. Letters received from outside the company pertaining to advertising themes, slogans, and the like shall be referred immediately to the Patent Department.

Merchandising

Each division organizes and implements its own merchandising program. Such programs are to adhere to the following policies:

- to provide proper and comprehensive product information;
- to tie in with overall corporate identity program;
- to provide merchandising synergism throughout all divisions of the company;
- to tie in to overall, central corporate programs.

International Marketing Strategies

Operating divisions develop and implement centrally controlled strategies for products, international customers, and world markets. The International Division collects, correlates and disseminates knowledge from abroad, and provides counsel and support to operating divisions in planning these worldwide marketing strategies.

Combined Marketing Efforts

When two or more divisions manufacture products used by the same domestic customer, combined marketing strategies are established by concerned marketing personnel. Where customers have international operations, efforts are made to maximize worldwide sales to these customers through combined international marketing programs.

District Sales Office Operations

District sales offices are established in central metropolitan locations to provide maximum sales efforts and optimum service to customers. These sales offices are modern and efficient in operation to project the proper Monsanto image.

Under Monsanto's company-wide customer service center program, it is the company's policy to provide order and inquiry handling services for all of the company's divisions in each district sales office.

In any city where Monsanto maintains a sales office, all of Monsanto's marketing activities in that city will be in a single location.

In the New York, Chicago, San Francisco Bay Area, Los Angeles and Cincinnati service centers, the Marketing Services Department is assigned the office management responsibilities. In these particular sales offices, as in all others, the Marketing Services Department is responsible for the coordination of procedures and clerical salaries in the interest of more effective operation and better service to Monsanto customers.

Technical Service to Customers

Technical assistance to customers is rendered to aid in the efficient and proper use of products. This assistance extends not only to customers but also to intermediate elements, including the manufacturer of the final consumer product. No guarantee is made of results and no obligation or liability whatsoever is assumed in the use of this technical aid or information.

When technical aid is to be supplied to customers, no disclosure of technical information is made until clearance is received from the Patent Department. If information from customers appears to involve something that may be patentable, this matter is brought to the attention of the Patent Department immediately for review and recommendation.

Relationships with Customers

Marketing personnel contact customers as required to uncover and define needs, to solicit and obtain orders, provide technical assistance, service accounts, develop new or improved demand for products, and to carry out other assigned functions. All contacts made by other than marketing personnel are made with the knowledge of the concerned marketing group. Contacts with customers require that established security regulations be observed and that the individual makes no commitments on behalf of the company unless specifically authorized.

Customer Visits

Guest facilities are provided at certain company locations for the primary purpose of entertaining and/or housing of customers. Visits by customers require careful planning and scheduling to provide as necessary:

- travel and other transportation arrangements;
- establishment of meeting dates, agendas, and other matters;
- selection of company representatives to welcome and meet with customers;

PERSONNEL POLICY STATEMENTS

Personnel Policy Coverage

Uniform personnel policies, programs and procedures apply to all company personnel including employees of operations under contract with agencies of the U.S. government. Exceptions to company personnel policies, programs and procedures required to meet local or international customs, government regulations or other conditions or unusual circumstances require the review and authorization of the director of Central Personnel Department.

Administration of Personnel Policies

Monsanto's personnel policies are centrally developed and controlled, with administration of these policies carried out on a decentralized basis by the operating divisions and central departments.

Functional authority for personnel and industrial relations matters is carried by the Central Personnel Department.

Employment

- A. Employment of Personnel - The company recruits and selects employees of high ability, character and potential to meet approved manpower requirements and places them in work assignments which maximize the use of their talents and provides them opportunity for development and advancement.

All job applicants are considered for employment, with the company selecting the most qualified personnel meeting established job specifications or requirements without regard to sex, race, color, creed or national origin.

- B. Employment of Salaried Personnel of Other Organizations - All applications for employment initiated by persons currently employed in other organizations will be considered. Monsanto recognizes, at the same time, that certain relationships exist with other companies, organizations and with educational institutions which require special handling.

Monsanto will fully discuss the job opening with applicant, and our interest in him should this develop. We will indicate to him the dollar range, as well as other conditions of employment, but will not formally extend a final offer to the man.

The applicant is advised that the offer, as discussed, will not be made until his present employer has been notified of our intent to make an offer of employment.

In the event the applicant elects to handle the notification of his employer on his own, Monsanto in each case puts in writing to the employer its knowledge of this notification and its intent to make a firm offer to the individual.

The interviewing department is responsible for handling these cases and for establishing, during employment interviews, whether the applicant's existing employment contract precludes his employment by Monsanto in any specific activity.

Monsanto does not solicit directly applications from an employed person without notifying his current employer of this intention. Applications received through search or employment agencies, or in response to employment advertisements, are regarded as initiated by the applicant.

- C. Outside Offers of Employment to Company Personnel - In cases where other organizations or educational institutions express a desire to contact a company employe with the thought of offering employment, the employe's superior immediately informs him of the offer and discusses thoroughly with the employe his future with Monsanto.
- D. Employment of Relatives - No relative, as defined below, of any member of management in salary grade 17 or above may be hired.

Relatives include spouse, parents, children, adopted children, step-children, grandchildren, brothers, sisters, stepbrothers, stepsisters, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law and parents-in-law.

Relatives of employes below salary grade 17 may be hired, but will not work in the same department.

A spouse of anyone whose business interests are in conflict with those of Monsanto may not be hired. An employe having access to confidential information who marries such a person is terminated or transferred to a position not involving access to confidential information. It is the responsibility of the division general manager or the central department director to determine whether the employe has access to confidential information.

- I. Separation Allowance - Salaried Employees - A separation allowance is provided to assist financially an employee whose services are terminated through no fault of his own. Whether payment of any separation allowance is to be made is at the discretion of the responsible division general manager or central department director. Special cases and those that exceed the policy must be referred to the Retirement Plan Committee for approval.

Separation allowances may also be extended to employees who have reached their normal retirement age and who are not eligible to receive a pension. The details of this policy are contained in Personnel Administration Bulletin R-2.

- J. Service Awards - The company expresses its appreciation and recognition for loyal and continuous employee service through a service award plan. Further information is found in Personnel Administration Bulletin II.
- K. Sickness and Disability - Salaried Employees - Nonoccupational sick leaves of absence with pay are granted in accordance with the following schedule to employees who are classified for pay purposes as permanent salaried employees:

Credited Service

Sick Leave

Less than three months

Equal to service, but not less than one month

Three months or more

Maximum of six months

The above are the maximum periods to be granted an employee for the same or related cause of disability. Any extension of these maximum periods require the approval of the Retirement Plan Committee. Further information is found in Personnel Administration Bulletin XIII.

In the case of occupational sickness or disability where the employee receives payment under the Workmen's Compensation Law for time lost from work, the company pays only the difference between the salary and such amount. The employee receives the company's contribution during the first year of his disability; the company's contribution may then be continued, with the approval of the Retirement Plan Committee, upon request by the division general manager or central department director. Further details may be found in Personnel Administration Bulletin XVIII.

- L. Sickness and Disability - Hourly Employees - The following governs supplementation of Workmen's Compensation payments and is available to all divisions and departments and their locations, and establishes the maximum benefits that may be paid.

An hourly-paid employee who is absent from work because of a job-incurred disability which was caused by equipment failure beyond the control of the employee or where the employee did not violate any existing safety rules, procedures or practices may receive compensation provided by the controlling Workmen's Compensation Law, plus a supplemental payment by the company, the total of which will equal the employee's wages based on a regular 40-hour work week.

In all other cases when an hourly-paid employee is absent from work because of a job-incurred disability which results from causes reasonably within the control of the employee or where the employee violated an existing safety rule, procedure or practice, he may receive compensation provided by the controlling Workmen's Compensation Law, plus a supplemental payment by the company, the total of which will be the same as the amount paid under the location's Nonoccupational Disability Plan.

In either case, a waiting period equal to that required by the location's Nonoccupational Disability Plan shall apply. However, company payments may be extended to cover the waiting period in all cases where the absence continues for more than two weeks (14 consecutive days). The company payments may be made during the first year of such absence but not after Workmen's Compensation payments to the employee have ceased. Company payments may be continued at the request of the division general manager or central department director if approved by the Retirement Plan Committee. Requests for extension must be made before the expiration of the initial period.

- M. Employee Stock Purchase Plan - Provision has been made for employees to purchase Monsanto stock through payroll deduction. Details of the plan are set forth in "Monsanto Employees' Stock Purchase Plan."
- N. Vacations - Salaried Employees - Annual vacations with pay are granted to permanent salaried employees based upon credited service with the company. April 1 is the official beginning of the vacation year and vacations may be taken at any time during the vacation year of April 1 to March 31. The scheduling of vacations is subject to management approval.

Vacation eligibility during the first year of employment is computed on an accrual basis. Thereafter, a vacation with pay will

and/or his family for a period normally not to exceed two weeks. In case of personal hardship, expenses may be paid for an additional period on approval of the employee's concerned supervision.

The Internal Revenue Service considers these reimbursements as income and the employee shall be informed by the employing division or central department of the necessary deductions and procedures required. Further information may be found in the Controller's Bulletin 19-6.

- C. Travel and Moving Expense - Company Personnel - An employee assigned to a new location is reimbursed for reasonable travel and subsistence expenses incurred for himself and for his immediate family for a period normally not to exceed two weeks. In case of personal hardship, expenses may be paid for an additional period on approval of the employee's concerned supervision.

Prior to the actual move, the wife of the employee may make one trip at company expense to the new location to assist the husband in the purchase of a home.

An employee is permitted to return to his transfer point at company expense to assist the family in moving household effects and to take care of other related matters.

An employee who is temporarily assigned to a new location under conditions that makes it inadvisable to move the family and effects, or is assigned to a new location on a permanent basis but finds it inconvenient to move the family immediately may be paid his individual subsistence expenses at the discretion of concerned supervision. Such an employee is expected to arrange for adequate living conditions less expensive than would be obtained as a transient in a hotel. Occasional trips home at the expense of the company may be allowed on approval of concerned supervision.

The company pays the cost of moving the employee's household goods and personal effects to the newly assigned location, including storage charges if required. Further information may be found in Personnel Administration Bulletin VI.

Employee Real Estate

Employees relocating at company request may receive assistance in the sale of their residential property according to the information found in Personnel Administration Bulletin VI.

International Personnel

In its concept of personnel relations and in its statement of Business Principles, the company has clearly set forth those principles inherent in the company's relations with its personnel. These basic principles apply to all people in the Monsanto organization, in whichever country they may be working. The company, in its worldwide operations, follows these same principles as in the domestic operations.

The company staffs its international operations as far as possible with nationals of the country in which the company is situated.

Training programs and opportunities are provided to fully develop managerial and technical personnel capable of assuming responsibility for company operations. It may be necessary to support the international operation with personnel from domestic organizations; however, these will be replaced with nationals if and when possible and practical.

Special policies and procedures are developed and maintained to ensure that all personnel on international assignments are treated equitably, and that all matters affecting their compensation, benefits, perquisites and other emoluments are applied in a uniform manner.

The International Division is responsible for personnel administration overseas in all areas covered by its operations and for coordinating international personnel relations. The Central Personnel Department provides full support and consultive services on international personnel matters with respect to corporate policy and procedures. Further information may be found in Personnel Administration Bulletin XX.

Employee Health

Employee health is a primary concern of the company. Details covering physical examinations, medical treatment and toxicity matters are covered in medical policies in the Administrative section.

Terminations and Dismissals

Maximum job security is provided to all employees commensurate with their qualifications and performances and consistent with business conditions. Whenever job dislocations or eliminations occur because of economy or improved efficiency, every effort is made to transfer qualified employees affected to other jobs. Information on separation allowances for employees is found under the employee benefits section of the personnel policy.

Employees are dismissed for the violation of established rules of conduct, from inability to perform, or from poor performance of job duties and responsibilities.

DATE 9/66

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Monsanto

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

DATE : April 7, 1967

CC:

SUBJECT :

REFERENCE :

TO : HOLDERS OF THE MANAGEMENT GUIDE

Current revisions and additional material for your copy of the Management Guide are attached. Outlined below is a brief summary of these changes:

COMMITTEES

Corporate Membership Committee, C-I-8 - J. L. Christian has been added as a member.

Corporate Security Officer, C-I-13 - J. C. Pettry is now the Assistant Corporate Security Officer.

POSITION DESCRIPTIONS

Consultant Commercial Research, C-II-24 - Please DELETE this position description.

President, Monsanto Research Corporation, C-II-24 through 26 - New position description outlining the duties and the responsibilities for the President, MRC.

General Manager, International Division, C-III-29 - Revised position description.

Director of Central Engineering Department, C-IV-9 - Revised position description.

General Counsel and Director of Law Department, C-IV-32 - Position description revised to delete membership on the Third Employees' Stock Plan Committee, which has been discontinued.

POLICY STATEMENTS

Establishment of the Board of Directors, D-I-1 - Membership on the Board of Directors changed from 13 to 14 in number.

Research Notebooks, D-II-10.1 - Reference made in patent policy statements to the full policy found on this subject in the research and development section of the Guide.

Purchases for Employees, D-II-18 - Approval by the Director of Purchasing Department required where company purchase orders are used in making certain purchases for employees.

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seventeenth of these is the

eighteenth of these is the

Central Engineering Policy Statements, D-III-1 through 4 - Policy statements updated with particular reference to responsibilities for process engineering activities.

Finder's Fee, D-IV-3 - New policy statement designed to protect the company from any unintended finder's fee.

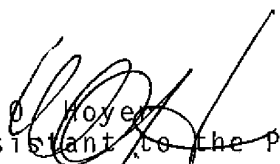
International Policy Statements, D-V-1 through 4 - Revised policy statements to define more clearly the responsibilities of the operating divisions and the International Division in the conduct of ex-U.S. business. DELETE D-V- Pages 1 through 6 now in your Management Guide.

Planning and Finance Policy Statements, D-IX-1 through 6 - Revised policy statements with the principle change being that the senior vice president, Operations may approve pre-project expenditures and project overruns and underruns up to \$300,000. DELETE Pages D-IX-1 through 4 now in your copy of the Management Guide. Please note that the page numbering sequence is out of order. The balance of the revised planning and finance statements will be issued shortly with corrected page numbers.

Research Notebooks, D-X-5 - New policy statements requiring that research notebooks and related documents be prepared and preserved in accordance with the "Uniform Notebook Practices" procedures to provide proof of representations made in patent activity.

Publications about the company and information about its activities involve the matter of security. You may wish to refresh yourselves about company policy in these areas. We call to your attention the provisions of the Management Guide dealing with disclosure of confidential information to parties outside the company. Security is not just the business of "someone else"; it is not just the business of the Research people or the planners - it is the business of everybody in the company. This subject is covered in the following sections:

- D-II-9 - - - - - SECURITY OF INTANGIBLE ASSETS NOT PROTECTED BY PATENTS OR OTHER MEANS
- D-X-4 - - - - - PUBLIC DISCLOSURE OF TECHNOLOGY
- F-21 (PARAGRAPH XVI) - - - REVIEW AND CLEARANCE OF SPEECHES AND MATERIAL FOR EXTERNAL PUBLICATION
- F-22 (PARAGRAPH XVII) - - RELEASE OF GENERAL INFORMATION ABOUT MONSANTO


C. D. Hoyer
Assistant to the President

Monsanto

COMPANY

TECHNICAL COMMITTEE

Monte C. Throdahl, Chairman
John M. Depp Jr. Edward A. O'Neal
John L. Gillis Charles Allen Thomas
Richard S. Gordon J. Russell Wilson
Arthur W. Lucas

Carl O. Hoyer, Secretary

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

AUDITING COMMITTEE

Fredrick M. Eaton

Arthur W. Lucas, Secretary

BONUS COMMITTEE

Reports to: Board of Directors

FUNCTIONS

1. Interprets and administers the company's bonus plan.

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Monsanto

COMPANY

2. Determines recipients and amounts of bonus awards, subject to the terms of the plan.

BONUS COMMITTEE

Charles Allen Thomas, Chairman
Dillon Anderson Edgar M. Queeny

Carl O. Hoyer, 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
John L. Christian Dan J. Forrestal
Patrick J. Dowd

Robert F. McCoolle, Secretary

GOVERNMENT AFFAIRS COMMITTEE

Reports to: President

FUNCTIONS

1. Recommends to the Executive Committee policy and courses of action in dealing with governmental and legislative matters.

Monsanto

COMPANY

SALARY COMMITTEE

William B. Daume, Chairman
Edward J. Bock John L. Gillis
John L. Christian

William I. Tierney, Secretary

STOCK OPTION COMMITTEE

Reports to: Board of Directors

FUNCTIONS

1. Interprets and administers the key employee stock option plan of the company.
2. Determines the recipients of options and the number of shares to be granted to key employees.

STOCK OPTION COMMITTEE

Charles Allen Thomas, Chairman
Dillon Anderson Edgar M. Queeny

Carl O. Hoyer, Secretary

CORPORATE SECURITY OFFICER

Reports to: President

FUNCTIONS

1. Ensures compliance with security and secrecy regulations prescribed by U.S. governmental agencies, including the Department of Defense and the Atomic Energy Commission pertaining to the company's governmental contracts and agreements.

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Monsanto

COMPANY

2. Provides the corporate office through which United States security clearance is obtained, where required for Monsanto employees; maintains records of such clearances.
3. Serves as the corporate executive for Monsanto concerned with policy related to physical security of the company's research, manufacturing, administrative and sales sites.

CORPORATE SECURITY OFFICER

Carl O. Hoyer

ASSISTANT CORPORATE SECURITY OFFICER

John C. Pettry

Monsanto

COMPANY

POSITION DESCRIPTION

POSITION TITLE President, Monsanto Research Corporation

REPORTS TO MRC Board of Directors

FUNCTION

Serves as chief operating officer and directs the affairs of the corporation in such manner as to effect optimum profitability and return on capital invested. Directs the development of long-range planning programs to strengthen present activities and to develop new markets. Ensures that the corporation's activities are carried out within established Monsanto policy and policy procedures. Develops organizational plans and managers capable of achieving the corporation's objectives.

DUTIES

1. Establishes corporation's purpose, objectives and major operating procedures within established policies.
2. Determines program, product, market and profit objectives for the corporation and plans for their achievement.
3. Directs the affairs of the corporation in such manner as to assure maximum profitability, including long-range return on total fixed and working capital investment.
4. Directs the development of operating and capital expenditure budgets for submittal to MRC's Board of Directors and to the Budget Committee; approves capital appropriations and other expenditures within limits of delegated authority.
5. Determines the corporation's organizational structure and internal delegations of authority; selects key executives and recommends appointment or changes in top management personnel to the Board of Directors.
6. Measures corporate performance against planned objectives in such areas as profitability, share of market, operating efficiency, safety, new product technical and commercial development, utilization and development of personnel and contribution to overall Monsanto growth. Takes appropriate steps to improve performance in all these areas.
7. Ensures the use of up-to-date safety devices, practices and procedures and the safe condition of all physical facilities in all operations.

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Monsanto

COMPANY

POSITION DESCRIPTION

POSITION TITLE President, Monsanto Research Corporation

8. Carries responsibility for all phases of personnel administration, including maintaining good labor relations in all operating plants; provides for the continued development of competent managerial personnel to ensure successful future management of the corporation, as well as to supply competent candidates for positions elsewhere in Monsanto.
9. Reviews and authorizes technological programs in research, technical development and process engineering and attendant patent activities for the improvement of existing products and development of new products, new processes and new markets for MRC technical capabilities.
10. Approves the manufacture of new products and modifications to existing products; arranges for toxicological clearance by the director of Medical of new or modified products prior to adoption.
11. Establishes and maintains an effective system of communications throughout the corporation.
12. Represents MRC in major relationships with customers, suppliers, competitors, bankers, service organizations, government agencies and the general public.
13. Sets sales policies, strategies and pricing policies for all products and establishes selling prices. Clears changes in the conditions of sale and changes in terms of sale with the Law Department and, as to credit provisions, with the Treasury Department.
14. Correlates and coordinates MRC activities with the operating divisions of Monsanto to assure optimum corporate results from business decisions affecting more than one segment of the company. Confers with corporate planning group for coordination of long-range plans into an overall company forward projection.
15. Approves capital expenditures including capital appropriations for new projects, changes in project scope, overruns and replacements and authorizes retirement of or obsolescence of assets within limits delegated by the Board of Directors of MRC.
16. Manages financial aspects of corporate operations with regard to credit and working capital, within limits delegated by the Board of Directors of MRC.
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 Board of Directors those actions beyond the limits of his delegated authority.

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Monsanto

COMPANY

POSITION DESCRIPTION

POSITION TITLE President, Monsanto Research Corporation

18. Approves plans and related budgets for commercial development, merchandising and advertising; coordinates such plans and budgets for maximum overall corporate benefit.
19. Ensures that all operations are carried out in conformance with established air and water pollution standards established by the company and regulatory agencies. Consults on pollution problems with the concerned central departments of Monsanto.
20. Maintains frequent and close contact with government agencies and government officials, to detect and evaluate trends and opportunities for MRC and for Monsanto, for R.D.T.&E. contracts and for business related to Monsanto's commercial lines. Communicates such intelligence to those concerned.
21. Through contact with government agencies and other customers, monitors performance of MRC contract obligations, and takes prompt action to correct any deficiencies which may be found.
22. Serves as Project Director, responsible for operation of Mound Laboratory in accordance with contract provisions with the U.S. Atomic Energy Commission. Represents the company in relations with the A.E.C.

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Monsanto

COMPANY

POSITION DESCRIPTION

POSITION TITLE General Manager, International Division

REPORTS TO Senior Vice President, Operations

FUNCTION

Serves as the company's chief executive responsible for the surveillance and monitoring of current business activities and potential business opportunities outside the United States, including management and profit analysis of Monsanto's international activities and interests.

DUTIES

1. Directs the activities of the division as a business management group knowledgeable and sensitive to rapid changes in world areas.
2. 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 New Ventures Committee through maintaining area management structures which permit the operating divisions to carry out their product responsibilities in ex-United States areas.
3. 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.
4. Establishes broad guidelines and major procedures vital to the successful achievement of assigned international objectives.
5. 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.
6. Coordinates Monsanto's interests ex-United States to ensure consistent and decisive action to enhance its business performance in world markets.
7. Directs, and/or monitors, export marketing activities as an extension of operating division marketing.
8. Brings central departments into full participation in ex-United States activities without duplication of effort.

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Monsanto

COMPANY

POSITION DESCRIPTION

POSITION TITLE General Manager, International Division

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 before their submission to the Executive Committee for approval.
10. Initiates and prepares 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.
11. At the direction of the New Ventures Committee, provides data required for and/or prepares appropriation requests and provides the management organization to execute ex-United States the business plans formulated and directed by this committee.
12. Ensures the provision of technological, manufacturing, and marketing expertise and support for ex-United States operations from the appropriate divisions and central departments.
13. Provides broad and essential ex-United States economic, political, and cultural intelligence.
14. 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.
15. Plans, coordinates and provides for the development of personnel to assure optimum contributions of individuals regardless of their country of national origin.
16. Establishes new corporate entities ex-United States utilizing and coordinating the expertise of corporate departments and operating divisions.

POSITION TITLE Director of Central Engineering Department

REPORTS TO Vice President, Administration

FUNCTION

Directs, plans and administers engineering activities and the provision of complete engineering services for the company and its subsidiaries and affiliates. Directs engineering planning and evaluation; process design; building, equipment and facilities design; and the supervision of major construction projects requiring \$100,000 or more of capital in both domestic and international areas. Manages corporate programs for employee safety, property protection and engineering technology. Plans and organizes engineering efforts consistent with operating division's requirements, sound engineering practices and cost estimates.

DUTIES

1. Maintains close liaison with the operating divisions and member companies and is mutually responsible with them for those pre-project activities leading to the definition, evaluation and approval of major projects.
2. Directs the preparation of final Project Scope Reports and capital estimates for all major capital projects. Coapproves with the responsible division general manager capital appropriation requests and major changes in project scope for capital projects.
3. Directs all phases of engineering design and construction of all major capital projects requiring the investment of more than \$100,000 and the maintenance of project liaison on project matters through the assigned division or central department representative.
4. Participates in site acquisitions and local arrangements with concerned operating divisions and central departments.
5. Approves the selection of contractors and the execution of necessary design or construction contracts.
6. Directs project purchasing and other administrative activities and establishes priorities for Central Engineering Department legal services under the functional guidance of concerned central departments.
7. Ensures that all applicable construction codes, pollution controls, sanitary and insurance codes, safety regulations and practices, government regulations and standards and other regulations are observed and adhered to in the design and construction of all major projects.

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Monsanto

COMPANY

POSITION DESCRIPTION

POSITION TITLE Director of Central Engineering Department

8. Directs the development and management of corporate programs in the fields of employee safety and property protection.
9. Ensures the implementation of safety and property protection standards and procedures to provide maximum protection against accidents throughout the company.
10. Directs the development and management of a corporate program in the field of engineering technology. Provides advice and assistance in the use of newest and best technology for possible application to appropriate programs and projects.
11. Authorizes the procurement of outside engineering services of a specialized nature as required.
12. Initiates projects with concerned operating divisions to provide optimum utilization and capacity of utility systems consistent with current requirements and long-range plans for each location.
13. Participates in the start-up and debugging of projects designed and constructed by the Central Engineering Department.
14. Directs the preparation of the engineering aspects of company-wide long-range plans and assists the division general managers and central department directors in the preparation of necessary capital budgets.
15. Establishes and maintains effective engineering procedures for the conduct and control of all Central Engineering Department activities.
16. Directs and coordinates administrative activities of the department in accordance with established company policy and the procedural requirements of the operating divisions and central departments.
17. Maintains relations with division general managers, central department directors, major outside contractors, vendors, and management of other engineering organizations as required in carrying out assigned responsibilities.
18. Serves as a member of the Technical Committee and the Headquarters Site Administration Committee.

Monsanto

C O M P A N Y

POSITION DESCRIPTION

POSITION TITLE General Counsel and Director of Law Department

11. Employs outside counsel and directs their activities except counsel retained for tax, patent and/or trademark and copyright purposes.
12. Serves as secretary of Monsanto Company pursuant to election by the Board of Directors; serves as member of the Government Affairs, and New Ventures Committees.

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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 and conduct of business and investment activities.

The Executive Committee and the Finance Committee, by delegation from the Board of Directors, establish 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.

Executives of the central departments and operating divisions 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.

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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 and Finance Committees are the principal permanent committees 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.

experience or information confidential to or of interest to Monsanto is the property of the employee. All fees or royalties resulting therefrom accrue to the employee.

In order to avoid any misunderstanding or confusion, employees planning to prepare material which may be copyrighted are to advise, in writing, an officer of Monsanto, division general manager, or central department director in keeping with his organizational assignment. Such notifications are given prior to the time work is initiated. Depending on the subject matter involved, the company may require a screening by the Law and Patent Departments prior to release to printers or publishers.

- C. Prepared Under Other Circumstances - From time to time employees will prepare copyrightable material involving confidential information pertinent to Monsanto interests or will utilize Monsanto experience or working time in their preparation. Such material, as well as all other cases that do not clearly fall within the provisions of paragraphs A or B above, is reviewed on a case-by-case basis by the Patent Department which is responsible for determining proper copyright ownership.

In all instances of preparation, printing, copyrighting and publication of materials by Monsanto employees, the provisions of the Security Manual (see Section F, item XVI of the Management Guide) apply.

Handling of Unsolicited Suggestions from Outside Sources

There is always potential danger in accepting or discussing unsolicited suggestions made by outsiders since the same or similar suggestion, made by employees, may already be under development within the company. If the unsolicited suggestions are later adopted, without proper prior clearance, the outsider may hold that the development in question is based on his suggestion with resultant legal entanglements.

All suggestions from outsiders which pertain to activities of the company such as new products and processes, improvement of present operations and products, trademarks, slogans, advertising themes and the like, are immediately referred to the Patent Department before delivery to any other organization unit for proper clearance and understanding with the outsider. When a proper understanding is reached, the Patent Department forwards the suggestion to other concerned organization units to pursue.

Research Notebooks

Research notebooks provide proof of representations made in patent activity. See policy statement D-X-5 for further information.

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C. Hydrocarbons & Polymers Division - bulk plant and service station facilities.

Relationships with Vendors and Contractors

All vendor and contractor sales representatives are granted a free and full hearing consistent with the potential value to the company of the product or services involved.

All contacts with vendors for the purpose of expediting deliveries, entering claims or returning material for credit or adjustment are made through the purchasing organizations and in accordance with established purchasing procedures.

Equipment Standardization

Equipment is standardized at all locations as far as practical. The Purchasing Department serves as the repository of information related to approved standardized equipment for use throughout the company.

Security Agreements

Security agreements between the company and suppliers are a part of purchasing contracts under certain conditions. The content and format of such agreements are developed by the Law Department. The Law Department cooperates with the Purchasing Department in the development of contracts and agreements which will be legally acceptable to Monsanto. See the Security Manual, Section F of the Management Guide, for further details.

Materials Research Function

Current and long-range purchasing requirements are reviewed by the Purchasing Department. Research is conducted for new sources of supply and methods sought to improve the purchasing economics.

Endorsement of Raw Materials or Equipment for Vendor Advertising

No letters of endorsement, whether solicited or unsolicited, are written for materials or equipment furnished by any vendor without the approval of the director of Purchasing Department.

Acceptance of Gifts from Vendors

Employees do not solicit or accept significant gifts, expensive entertainment or loans from vendors. There is no objection to the acceptance of items of small intrinsic worth or of advertising nature, or of an occasional lunch or dinner that serves a business purpose.

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Disposal of Surplus

The Purchasing Department remains cognizant of material and/or equipment declared obsolete or surplus by divisional management, and determines possible need or use of such material by other operational locations prior to release for local disposal. The sale of scrap, salvage, obsolete and surplus material or equipment is handled by local Purchasing personnel in the manner most advantageous to the company and in accordance with Treasury procedures. Such material may be offered for sale to employees on a cash or equivalent basis.

Purchases for Employees

Unless approved by the Director of Purchasing Department, company purchase orders are not used in making personal purchases except for approved items such as work clothing, safety equipment, small tools and other items required by the employee in the performance of his job.

CENTRAL ENGINEERING POLICY STATEMENTS

Scope

The Central Engineering Department provides complete engineering service to all elements of Monsanto and its subsidiaries and affiliates. Services include engineering planning and evaluation; process design; building, equipment and facilities design; and direct supervision of major construction projects in both domestic and international areas. Central Engineering manages the corporate programs in the fields of employee safety, property protection and engineering technology, and provides assistance and counsel in these areas to all elements of Monsanto.

Objectives

Central Engineering utilizes the "Management by Objectives" concept, both for the department as a whole and for the groups and individuals therein. The overriding objective is the improvement of Monsanto's long-range business position and profits.

Specific objectives include the following:

- A. In the design and construction of major capital facilities, Central Engineering Department objectives, in relative order of priority, are:
1. To build plants that produce products of the quality specified.
 2. To build plants that produce products at costs as low as or lower than the rest of the industry.
 3. To build plants that are easy to operate, easy to maintain, inherently safe, and conducive to good housekeeping.
 4. To build plants that start up easily, quickly, and inexpensively.
 5. To complete the plants in time to meet the market, but without wasteful premium costs or omission of consideration of desirable alternatives.
 6. To build the plants at the lowest capital cost consistent with attainment of the objectives outlined above.
- B. To satisfy the client (division) by working with division personnel and providing professional counsel needed to reach an optimum balance of the objectives outlined above.

- C. To examine the Engineering Department's performance at the conclusion of each project, including solicitation of feedback from appropriate division personnel, so performance on future projects can be improved.
- D. To employ every proven improvement in equipment, methods, or supporting facilities which will reduce time or costs, or improve results of engineering work. To employ other new technology where the potential gain warrants the risk involved.
- E. To assure use of the best process design and engineering design and to contribute to maximum productivity and economy of completed facilities.
- F. To establish and maintain close cooperation with other Monsanto groups before and after, as well as during, the engineering phases of all projects.
- G. To increase the productivity of Central Engineering people by selecting competent personnel, by constant performance appraisal correcting or rewarding performance, providing ample engineering tools and incentive to use them, and by maintaining a high level of professional status for employees.
- H. To provide opportunities for advancement for employees demonstrating superior performance and potential, by promotion within the department and by transfer between Central Engineering and other parts of the company.
- I. To increase reliability, productivity, and economy of new and existing processes by use of the most advantageous chemical and control engineering design methods. To make increased use of data acquired by experimental and mathematical modeling and analytical techniques.
- J. To create an environment in which engineering performance is associated with the success of the company.
- K. To reduce injury and losses to Monsanto personnel and property to an absolute minimum through careful attention to safety in all engineering work, as well as through specific functions of the safety and property protection service.
- L. To provide plans and recommendations for utilities expansions and site improvements in time to meet anticipated needs with optimum new facilities.
- M. To improve Monsanto's long-term competitive capabilities by identifying, developing, and introducing into successful use new technology and improved engineering practices, both for Central Engineering Department and for the divisions and plants.

Project Scope

Central Engineering and the appropriate division are mutually responsible for the translation of commercial objectives and technical data into preliminary plans and performance requirements sufficient to evaluate the economic desirability of a project and sufficient to serve as the basis from which definitive process and engineering design may be developed. Central Engineering compiles the final Project Scope Report.

Appropriation Request Estimate

After establishment of the project scope, Central Engineering prepares the official Appropriation Request Estimate and transmits it to the division together with comments as required by the Appropriation Request Procedure (Controller's Bulletin 12-02).

Project Responsibility - Central Engineering

Central Engineering is responsible and accountable for the definitive design and construction of all capital projects totaling \$100,000 or more, which includes:

Process Design - The verification and/or optimization of the project documented in the Project Scope Report and the preparation of plans and performance specifications to guide engineering design activities for the project.

Engineering Design - The translation of process design information and other data and requirements into complete instructions for procurement and construction of project facilities.

Construction - The economical and timely completion of the project as detailed in the engineering design.

Engineering Services

Central Engineering has direct accountability for the provision of requested assistance to the divisions in specialty engineering consultation and assistance on equipment and related operating problems; also for providing consultation and assistance in process development and process improvement problems, development and testing of new equipment and for the application of new concepts and design techniques.

Engineering Standards

Central Engineering serves the various divisions through establishment of engineering standards.

Central Engineering participates in start-up operations, as necessary, for a smooth turnover.

a sound economic means of accelerating our entry into a market or into providing a new service. The policy of the company is directed toward growth from within, but acquisitions of technology may be considered in specific instances.

Unsolicited Offers to Sell Companies, Plants and/or Sites from Outside Sources

All unsolicited sales offers from outsiders which pertain to companies, plants and/or sites are referred immediately to the office of the president. All answers to such unsolicited sales offers are reserved to the president or his delegate.

Finder's Fee

Care should be taken to protect the company against liability from any unintended finder's fee. To avoid unexpected claims by outsiders for such a fee, the question should be considered and resolved at the earliest practicable time. The Law Department is to be consulted and will prepare any required instrument for execution by the appropriate parties prior to any negotiations that may form the basis of a claim for such fees. See also policy statement - Acquisitions and Joint Ventures - page D-I-12.

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INTERNATIONAL POLICY STATEMENTS

Scope of International Operations

Monsanto, as an international company, utilizes its resources and technology in any free world area where desirable return can be expected for the shareowners and where the shareowners' equity is reasonably secure in keeping with company objectives.

The International Division, operating divisions and the central departments have assigned responsibilities for Monsanto's activities outside the United States. In those member companies where Monsanto has management responsibility, the activities will be carried out by the indicated groups. For those member companies where Monsanto does not have management responsibility, the activities will be carried out as appropriate in accordance with the contractual and legal arrangements applying to Monsanto's relationship with that company.

Operating Divisions' International Responsibilities

Products are manufactured and marketed worldwide and each operating division is accountable for the profit results of its product lines. In discharging this responsibility, the operating divisions:

- (a) develop product strategies to maximize worldwide profitability.
- (b) prepare market and customer strategies using data, information and area market strategies provided by the International Division for the ex-U.S. portions.
- (c) provide technical support to all operations.
- (d) develop expansion programs and projects in keeping with identified commercial opportunities.

International Division

The International Division is a business management group knowledgeable of commercial, political, financial and socio-economic conditions in areas outside the United States. The International Division:

- (a) determines the corporate structure and the business arrangements for ex-U.S. enterprises.
- (b) develops personnel in ex-U.S. operations ensuring the optimum contributions of personnel regardless of their country of national origin.

- (c) provides personnel administration for all employees outside the United States.
- (d) collects, correlates and disseminates knowledge from abroad; provides counsel and support to operating divisions on ex-U.S. matters for the development and implementation of centrally controlled strategies for products, international customers, and world markets.
- (e) analyzes and correlates the various operating division product, market, and customer strategies in order to establish effective business plans and goals for ex-U.S. activities.
- (f) directs ex-U.S. business activities to achieve optimum profits in keeping with requirements of local business, public, government, customer and tax considerations based on the worldwide product plans of the operating divisions.
- (g) guards against unilateral product line action which would adversely affect Monsanto's interests.
- (h) represents Monsanto's interests in associated and affiliated companies outside the U.S.

Business planning and decisions and management of investments ex-U.S. pertaining to oil and gas production and exploration are the responsibility of the Hydrocarbons and Polymers Division.

Management of ex-U.S. Member Companies

International Division, through area management groups, guides ex-U.S. member companies and in discharging this responsibility:

- (a) develops total business plans and profit goals for each member company based on the product plans established by the operating divisions; grants approval to total budgets of the member companies consistent with plans approved by the operating divisions.
- (b) safeguards the investment in member companies.
- (c) initiates action necessary to achieving the established member company profit targets.
- (d) ensures the provision of professional and specialist business assistance as requested or required.
- (e) controls member company organization and manpower costs in both line and staff functions.

Central Department Responsibilities

Central departments work directly with ex-U.S. member companies, as appropriate, in provision of the necessary support and control. International Division approves staff organization requirements in its area management groups.

Commercial Development ex-U.S.

Commercial development abroad is the responsibility of the operating divisions in their assigned product areas working through the appropriate local management structure. Development of new, unrelated products (new ventures) are undertaken and managed as determined by the Executive Committee upon recommendation of the New Ventures Committee. International Division supports commercial development through the continuous search for profitable business opportunities in areas outside the U.S.

New Investments Abroad

Operating divisions prepare capital appropriation requests for new or additional product line investments outside the U.S. International Division supplies pertinent data and reviews the resulting appropriation request for concurrence prior to further management approval. International Division initiates and prepares capital appropriation requests for ex-U.S. manufacturing sites, plant services and utilities, and site development projects as appropriate to the company's product plans.

Export Marketing

The export marketing activity of the International Division functions as an extension of the operating divisions' marketing efforts while providing a centralization of the special services required and a unified relationship with the field group - either member companies, field offices, or agents. Pricing for exported products is set by the strategies prepared by the operating divisions.

Marketing Practices

Marketing management of ex-U.S. member companies employ local or regional distribution channels. Implementation of marketing strategies, including advertising and sales promotions, is consistent with the Corporate Identity Program and utilizes personnel as deemed appropriate to business practices in the countries of operation.

Research Conducted Outside the U.S.

Research activity outside the U.S. may be carried out in product or process areas as agreed with concerned operating division or the Central Research Department.

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Contacts with Agencies of Foreign Governments

All contacts with agencies of foreign governments are made by, or coordinated with, the International Division.

PLANNING AND FINANCE POLICY STATEMENTS

Scope

The financial policy of Monsanto is established by the Board of Directors based on recommendations by the Finance Committee.

These policies are taken into consideration in the evolution of both short- and long-term corporate practices in terms of the funds needed, the most desirable way to acquire these funds, the control over their expenditure and the appraisal of the results obtained. The company develops well defined financial plans which coordinate and control all activities of the business, leading to the attainment of approved objectives.

Established financial and accounting policies are to be observed by division general managers and central department directors in order to achieve the most profitable utilization of financial resources, proper accounting control, and uniform and accurate financial reporting of the company's activities.

Forecasting

Worldwide forecasts of anticipated sales, earnings, cash position and other factors affecting the financial position of the company are prepared to provide management with information for financial planning and control.

In order to have the best possible estimates of future total company capital expenditures, cash projections (including construction and investment programs) are prepared for all capital expenditures anticipated in the forward projections which are not currently covered by appropriation requests.

The divisions, departments and subsidiaries prepare forecasts of sales, income and SARE expense for the year subsequent to that covered by the annual budget. This forecast is revised quarterly to reflect revised outlook and to provide foundation and background for preparation of the next annual budget.

Planning

Long-term objectives and anticipated financial requirements and results on a worldwide basis are set forth in a business plan which is continuously updated and revised annually. The first year of the plan is prepared by quarters as a part of the annual budget preparation with financial information for the succeeding years, consistent with budget format.

Each operating division and central department provides the Central Planning, Evaluation and New Ventures Department with a copy of their five-year plan prepared in accordance with previously agreed upon procedures. Such plans are maintained on a current basis and are revised whenever major changes in the planning strategy so dictate. Each division should have a system of implementing the plans, including a written method of checking performance against plan.

The separate plans of the divisions, central departments and international organizations are consolidated into an overall corporate forward plan. Consolidation takes place after intensive economic analysis of the several plans and elimination of inconsistencies and overlaps.

Annual Budgets

Operations of the company worldwide are planned and controlled through budgets prepared for the year by months, including an income budget to bring together and summarize planned revenues, costs and expense together with a capital budget and a projection of financial position. When the budgets are approved, they become the essential financial control criteria governing company operations.

Each division and central department prepares an annual budget with information, as appropriate, on sales and income, selling, administrative, research, engineering and patent expense (SARE expense) for the ensuing calendar year.

As one of several performance measurements, division and central department performance is judged against approved budgets.

Capital Appropriations

Capital expenditures for construction of plant facilities, acquisition of property, acquisition and installation of equipment, dismantlement and replacement of buildings and equipment are made only after approval of the specific project has been obtained. Approvals needed on specific projects are in accordance with the delegations of the Board of Directors. (Procedural details covered in Controller's Bulletin 12-02).

Monsanto

COMPANY

POLICY STATEMENT

A. Delegations of Authority

	Maximum Per Project	Monthly Av. Over Calendar Yr.
Executive Committee	\$1,000,000	\$2,500,000
President	400,000	-
Executive Committee Member	300,000	-
<u>General Managers</u>		
Agricultural Division	100,000	225,000
Textiles Division	100,000	660,000
Hydrocarbons & Polymers Division	100,000	560,000
Inorganic Chemicals Division	100,000	275,000
International Division	100,000	400,000
Organic Chemicals Division	100,000	550,000
Packaging Division	100,000	150,000
Plastic Products and Resins Division	100,000	217,000
<u>Central Department Directors</u>		
Director of Central Engineering	25,000	35,000
Director of Central Personnel	25,000	35,000
Director of Central Research	25,000	35,000
Directors of Other Central Departments	7,500	-
<u>Member Companies - Domestic</u>		
Monsanto Research Corporation	25,000	35,000

B. Project Classification

Projects involving capital investment in fixed assets fall into two categories:

Major - Those projects requiring in excess of \$100,000 of new fixed capital.

Minor - Those projects requiring \$100,000 or less of new fixed capital.

C. Pre-Project Engineering and Procurement Expenditures

Certain engineering and procurement expenditures may be authorized prior to the approval of the capital appropriation request to meet planned project schedules. Pre-project expenditure approval limits

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are within the following delegations of authority:

\$100,000 or less	Division General Manager
above \$100,000 to \$300,000	Senior Vice President, Operations

When the senior vice president, Operations grants pre-project authorizations, he informs the Executive Committee.

All such authorizations are recorded and form a part of the appropriation request when it is formally submitted for the project envisioned. Expenditures are carried in the construction in progress accounts of the company and reported along with comments, in the Statement of Property Additions.

D. Changes to Major Projects (Capital Expenditure Deviations - Over or Under)

Changes to approved major projects are known as deviations or variances. These are documented and accepted in accordance with CED Procedure 119. Responsibility for documentation of variances and control of capital costs on major projects is delegated to the director of Central Engineering.

E. Project Overruns and Underruns

Project appropriations are authorized based on economic projections which include those factors affecting capital cost which are known or can be foreseen at the time the appropriation estimate is made. Appropriation estimates are made on a "tight" basis to encourage economy and to discourage the inclusion in major projects of marginally profitable items.

1. Major Projects

- a. Formal Approval - In cases where capital cost is projected to deviate from the amount authorized by more than 10% or \$300,000, whichever is less, a supplemental appropriation request showing the new project amount is required for formal approval. The term "new project amount" includes the combined amount of original appropriation plus supplement(s). The new project amount is subject to formal approval within the delegated limits noted above, namely:

to \$300,000	Senior Vice President, Operations
to \$400,000	President
to \$1,000,000	Executive Committee
above \$1,000,000	Board of Directors

b. Interim Notification and Authorizations - In order to avoid unnecessary delay on major projects underway, arrangements are provided for interim notifications and authorizations when major project deviations are indicated.

- (1) Deviations over 10%, up to a project maximum of \$300,000 receive interim authorization from the senior vice president, Operations. He informs the Executive Committee of such interim authorizations.
- (2) Deviations over \$300,000 up to a project maximum of \$1,000,000 receive interim authorization from the Executive Committee.
- (3) Deviations in excess of \$1,000,000 are referred to the Board of Directors for interim authorization.

All interim authorizations are confirmed by supplemental requests for formal approval of the major project deviations.

In all cases of major projects, approved supplemental requests are charged against the allowance of the Executive Committee.

When expenditures and commitments on a major project total 70% of the capital appropriation, a comprehensive reestimate of projected final cost is made by Central Engineering. Analysis and recommendation with plans for the future (including timing of formal request for supplementary appropriation where needed) are made to the Executive Committee by the concerned division general manager and director of Central Engineering.

2. Minor Projects - In those cases where final capital cost is projected to exceed the amount authorized for a minor project by more than 20%, an authority for expenditure is required to cover the overrun. Amounts less than \$1,000 require no formal recording. Division general managers or their delegates may approve overruns on minor projects up to 20%. Amounts in excess of 20% are referred for clearance to the senior vice president, Operations.

In all cases, approved supplemental requests on minor projects are charged against the allowance of the concerned division general manager.

F. Organizations at the Headquarters Site

Division general managers and central department directors initiate capital expenditures for building alterations for space occupied

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and for office equipment. Projects for headquarters site building alterations are referred to the director of Central Personnel Department who is authorized to approve projects of \$25,000 or less per project, or a total monthly average over the calendar year of \$35,000 for general purpose building alterations, roadways, parking lots, etc.

Projects \$7,500 or less are charged to the allowance of the director of Central Personnel Department. Projects above this limit are charged to the allowance of the vice president, Administration. All projects for headquarters site alterations and for office equipment purchases in excess of \$25,000 require approval of the vice president, Administration.

G. Member Companies - Domestic

Projects involving domestic member companies are acted upon by the concerned division general manager within his delegated authorities and limits. Expenditures authorized by division general managers for their assigned domestic member companies are charged against the overall authorizations for the respective divisions.

H. Member Companies - International

The general manager, International Division is granted the authority to approve capital expenditures of international member (subsidiary) companies of \$100,000 or less per project with the total of all projects not to exceed \$400,000 monthly average over the calendar year. Such expenditures are limited to those in support of existing operations and not for the start of new enterprises.

The general manager, International Division, in turn, may delegate to the international member companies the authority to approve capital expenditures. Such approvals are charged against the authorization of the general manager, International Division. Expenditures by member companies in excess of delegated amounts are approved by the general manager, International Division to the extent of his authority and beyond that in accordance with higher levels of delegated authority.

Retirement of Fixed Assets

Projects for retirement of fixed assets having a gross property value of more than \$100,000 require approval of the Executive Committee.

status in the scientific community. Public disclosure of technology is the responsibility of the division general manager or staff department head and is subject to patent and public relations considerations. (See Security Manual, Section F of this manual, for further details.)

Sample Recording Center

A centralized service is maintained for the coding of new materials prepared or obtained in the course of research programs throughout Monsanto. The Sample Recording Center provides a repository for physical and chemical data on such materials and a facility for storage of coded samples.

The Sample Recording Center obtains Patent Department clearance for all samples of new research materials prior to release of such samples to individuals or organizations outside the company.

It is mandatory that samples and related data be forwarded to the Sample Recording Center when new materials have been prepared in any Monsanto laboratory. This policy applies particularly to new, discreet chemical compounds. In the case of polymers, fibers, or other new materials, a record of existence should be established with the Sample Recording Center and samples may be provided on a discretionary basis.

In no case will samples of new chemical compounds, fibers, or other new materials be released outside the company from any Monsanto source without prior clearance from the Patent Department.

Research Notebooks

Research records are of vital importance. Research notebooks and other documents, which record scientific and technical effort in research and development areas, must be prepared and preserved to ensure that all ideas, observations, and data are readily available to support further research and to provide irrefutable proof of representations made in patent activity.

Research personnel and others engaged in creating and developing technology will comply with the procedure "Uniform Notebook Practices". This procedure is issued in the Records Management Manual from the office of the Corporate Secretary and is the record standard approved by the Technical Committee and concurred in by the Executive Committee.

February 20, 1967

TO : HOLDERS OF THE MANAGEMENT GUIDE

Current revisions to policy statements and organization charts are attached for inclusion in your copy of the Management Guide. Detailed below is a brief summary of these changes:

COMMITTEES

1. Mr. Monte C. Throdahl has been added to the Board of Directors, the Executive Committee and the New Ventures Committee.

Dr. Thomas has relinquished chairmanship of the Technical Committee and is replaced by Mr. Throdahl.

2. The Third Employees' Stock Plan Committee has been discontinued.

POLICY STATEMENTS

1. Safety (D-I-7) - Revised to include the responsibility of the respective directors, Manufacturing for safety policies and practices implementation.
2. Disaster Plans (D-I-9) - Amended to state that each Monsanto location maintains an up-to-date master disaster control plan following the guides set forth in the latest edition of "Plan for Organization for Protection of Company Units in Case of Emergency or Disaster".
3. Corporate Memberships (D-I-10) - The second paragraph of this policy statement is deleted regarding company paid memberships.
4. Records Management (D-II-2) - Completely revised and expanded to recognize the establishment of the Monsanto Company Standard Record Retention Schedule, use of microfilm and the utilization of records storage facilities.
5. Acquisition of Data Processing Equipment (D-II-2.1) - Policy revised to state that the total capital value of equipment is used in determining management approval levels. The approval levels follow those established for capital appropriations.
6. Leasing (D-II-16) - Revised and corrected to show Purchasing and Treasury Department responsibilities for the leasing of non-manufacturing equipment and facilities.
7. Purchases for Employees (D-II-18) - Revised to prohibit the use of company purchase orders for personal purchases and to allow the purchase of certain items used by employees in the performance of their job.

8. Purchasing Procedures (D-II-18) - This section deleted as reference to these procedures is now included in the corporate procedure list (Section G).
9. Site Development Plan (D-VI-4) - New policy statement requiring each company location to originate and maintain a site development plan.
10. Company Cars Used by Marketing Personnel (D-VII-5) - New policy statement on use of company cars by Marketing personnel.

COMPANY ORGANIZATION CHARTS

1. Operating Divisions, C-III-4.
2. Organic Chemicals Division, C-III-21 and 22 - Revised to reflect new vice president and general manager, changes in process engineering responsibilities and other recent organizational changes.
3. International Division, C-III-31 - Revised to reflect change in incumbent for director, Textiles Europe and other changes.
4. Central Engineering Department, C-IV-13 - Revised to reflect recently announced organizational changes in process engineering functions.
5. Law Department, C-IV-33 - Revised to reflect the establishment of assistant general counsel positions and the realignment of attorneys assigned to the various company operations.
6. Office of Corporate Secretary, C-IV-36 - Assistant secretaries added to this organization chart.
7. Management Information and Systems Department, C-IV-41 - Updated to show recent organizational changes.
8. Purchasing Department, C-IV-63 and 64 - Revised to show recently announced organizational realignments in the department.

BY-LAWS (E-3)

The number of members on the Board of Directors is changed from thirteen to fourteen members.

Please add the attached material to your copy of the Management Guide and destroy the pages removed.

C. O. Hoyer,
Assistant to the President

WS:fg

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 committees to exercise certain powers of the Board of Directors in the intervals between meetings of the Board of Directors and appoints members thereto.
3. Reviews and approves appropriation requests which exceed \$1,000,000 per item, after prior recommendation by the Executive Committee.
4. Reviews and approves the sale or the disposition of tangible or intangible assets which involve payments or value to the company in excess of \$1,000,000, after prior recommendation by the Executive Committee.
5. 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. Five directors must be present at all meetings of the board to constitute a quorum for the transaction of business.

BOARD OF DIRECTORS

Edward A. O'Neal, Chairman

Dillon Anderson	Robert K. Mueller
Edward J. Bock	Edgar M. Queeny
David R. Calhoun	James S. Rockefeller
John L. Christian	Charles H. Sommer
Fredrick M. Eaton	Charles Allen Thomas
John L. Gillis	Monte C. Throdahl
Herbert Hoover Jr.	

Edwin J. Putzell Jr., Secretary

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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, except where specific authority has been otherwise delegated and on matters retained by the Board of Directors such as amendments to the Certificate of Incorporation or By-laws, major changes in corporate organization and structure, changes of capital structure and financing, the fixing of record dates for meetings of stockholders and dividends, and the declaration of dividends.
2. Studies and establishes present, short- and long-range company objectives and plans for attainment of such objectives; establishes or recommends necessary policy; reviews appropriation forecasts and requests for conformance to approved company plans; evaluates, assesses and judges accomplishment of established and approved objectives.
3. Acts on requests for capital appropriations and requests for retirement of fixed assets provided amounts do not exceed \$1,000,000 per item, and in an aggregate amount not more than \$2,500,000 per month averaged over the calendar year.
4. Conducts post performance and results review of completed and operating capital project programs.
5. Recommends action to the Board of Directors on requests for capital appropriations exceeding the limits set forth in 3 supra and requests for lesser amounts, if parts of a project ultimately involve an excess of \$1,000,000.
6. Approves the sale or disposition of tangible and/or intangible company and subsidiary assets (including technical know-how and services), provided payments or value to the company or subsidiary do not exceed \$1,000,000 for any one transaction.
7. Recommends action to the Board of Directors regarding the sale of company or subsidiary assets where payments to the company or subsidiary exceed \$1,000,000 per 5 supra.

Monsanto

COMPANY

8. Designates committees and appoints members to aid and support the Executive Committee in its areas of responsibility; acts for the Board of Directors in establishing delegations of authority for approval of capital appropriation requests; retirement of fixed assets; sales of assets in amounts of \$1,000,000 or less.
9. Acts on new enterprise areas (within divisions' scope) and on new venture areas (beyond divisions' scope) selected for action or investigation; approves all new venture projects and those new enterprise projects requiring \$100,000 or more; recommends action on such projects requiring board approval.
10. Authorizes signers of checks on Monsanto bank accounts and of alcohol permits.
11. Establishes or recommends policy with regard to governmental and civic affairs.
12. Regularly reports its acts and proceedings to the Board of Directors.
13. 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.

EXECUTIVE COMMITTEE

Charles H. Sommer, Chairman	
Edward J. Bock	Robert K. Mueller
John L. Christian	Edward A. O'Neal
John L. Gillis	Monte C. Throdahl

Carl O. Hoyer, Secretary

FINANCE COMMITTEE

Reports to: Board of Directors

FUNCTIONS

1. Under delegation by the Board of Directors, serves as the financial policy making body of the company.
2. Recommends to the Board of Directors action necessary to maintain corporate liquidity with an appropriate equity to debt ratio.
3. Determines that there are adequate funds for capital additions, expansion and other corporate purposes and recommends appropriate financial action where necessary.

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Monsanto

COMPANY

4. Recommends to the Board of Directors depositories for funds of the company, and its subsidiaries; may act for the Board of Directors in delegating authority to the treasurer for the selection, the maintenance, and the closing of these accounts.
5. Recommends to the Board of Directors policy regarding investment of surplus funds; may act for the board in delegating authority to the treasurer for investment of such funds.
6. Recommends to the Board of Directors plans for all financing regardless of type, including financing of leases, for the company and its subsidiaries, and may act for the board in delegating authority to the treasurer to negotiate such financing.
7. Recommends to the Board of Directors policy regarding the funding of pension obligations of the company and reports on the adequacy and performance of the funds; may act for the board in delegating authority to the treasurer to administer this policy.
8. Recommends to the Board of Directors action to be taken regarding the guarantees of third-party obligations on projects approved by the Executive Committee; may act for the board in delegating authority to the treasurer to administer this policy.
9. Acts upon dividend payment recommendations submitted by subsidiaries as approved by the president and/or responsible Executive Committee member.
10. Recommends to the Board of Directors action on proposals by the Executive Committee to transfer shares of one subsidiary of the company to another subsidiary; may act for the board in delegating authority to the treasurer to transfer these shares.
11. May act for the Board of Directors in delegating authority to the treasurer for the transfer of funds between wholly owned subsidiaries of the company.
12. Determines action to be taken regarding repatriation of capital and may delegate authority to the treasurer.
13. Determines steps to be taken to hedge against possible devaluation of currency; and may act for the Board of Directors in delegating authority to the Executive Committee, president or treasurer to take appropriate action.

Monsanto

COMPANY

TECHNICAL COMMITTEE

Monte C. Throdahl, Chairman
John M. Depp Jr. Edward A. O'Neal
John L. Gillis Charles Allen Thomas
Richard S. Gordon J. Russell Wilson
Arthur W. Lucas

Carl O. Hoyer, Secretary

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

AUDITING COMMITTEE

Fredrick M. Eaton

Arthur W. Lucas, Secretary

BONUS COMMITTEE

Reports to: Board of Directors

FUNCTIONS

1. Interprets and administers the company's bonus plan.

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COMPANY

2. Determines recipients and amounts of bonus awards, subject to the terms of the plan.

BONUS COMMITTEE

Charles Allen Thomas, Chairman
Dillon Anderson Edgar M. Queeny

Carl O. Hoyer, 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
Patrick J. Dowd Dan J. Forrestal

Robert F. McCoolle, Secretary

GOVERNMENT AFFAIRS COMMITTEE

Reports to: President

FUNCTIONS

1. Recommends to the Executive Committee policy and courses of action in dealing with governmental and legislative matters.

Monsanto

COMPANY

SALARY COMMITTEE

William B. Daume, Chairman
Edward J. Bock John L. Gillis
John L. Christian

William I. Tierney, Secretary

STOCK OPTION COMMITTEE

Reports to: Board of Directors

FUNCTIONS

1. Interprets the administers the key employe stock option plan of the company.
2. Determines the recipients of options and the number of shares to be granted under any authorized stock option plan.

STOCK OPTION COMMITTEE

Charles Allen Thomas, Chairman
Dillon Anderson Edgar M. Queeny

Carl O. Hoyer, Secretary

CORPORATE SECURITY OFFICER

Reports to: President

FUNCTIONS

1. Ensures compliance with security and secrecy regulations prescribed by the Department of Defense and the Atomic Energy Commission pertaining to the company's governmental contracts and agreements.

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Monsanto

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2. Provides the corporate office through which United States security clearance is obtained, where required for Monsanto employees; maintains records of such clearances.
3. Serves as the corporate executive for Monsanto concerned with policy related to physical security of the company's research, manufacturing, administrative and sales sites.

CORPORATE SECURITY OFFICER

Carl O. Hoyer

ASSISTANT CORPORATE SECURITY OFFICER

Clinton L. Clark

Monsanto

COMPANY

NEW VENTURES COMMITTEE

Reports to: Executive Committee

FUNCTIONS

1. Directs the search for Monsanto participation in new business areas that offer high profit potential and are unrelated to existing division and member company operations.
2. Ascertains whether any programs are underway or planned by the divisions, Central Research Department, Monsanto Research Corporation, and/or member companies in the new venture areas under consideration by the Committee.
3. Refers to the Executive Committee for action recommendations regarding new venture proposals together with necessary budgets, five year business plans, and manpower requirements.
4. Selects for each approved new venture undertaking a business manager who is designated to carry profit responsibility and accountability; assigns the reporting point for business manager.
5. Recommends to the Executive Committee the disposition of new venture projects including organizational placement of operating new venture entities.
6. Ensures provision of opportunities within the company for encouraging and developing entrepreneurially oriented management personnel.
7. Seeks the counsel of the Technical Committee where new venture considerations involve new or expanded technology.
8. Counsels and advises new venture business managers; ensures the provision of technical and administrative support for new ventures; reviews progress and performance against budgets and profit objectives.

NEW VENTURES COMMITTEE

Edward A. O'Neal, Chairman	
Arthur W. Lucas, Vice Chairman	
Peter G. Arvan	Edwin J. Putzell Jr.
L. Edward Klein	Monte C. Throdahl
Ferdinand C. Meyer	J. Russell Wilson

Dort F. Tikker, Secretary

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- C. Board of Directors' Award - This is the highest award available. It is a gold pennant which brings with it a certificate signed by the chairman of the Board of Directors.

The divisions or subsidiary companies are also eligible to win the three types of awards, but instead of safety pennant awards, a desk-type award is available for display in the general manager's or subsidiary executive's office. An officer of the company makes the presentation.

The Monsanto Accident Prevention Manual describes the details of the Safety Award Plan.

Disaster Plans

Monsanto maintains a replacement schedule for the succession of management responsibility in case of an emergency or disaster incapacitating top management personnel. In the event of a disaster affecting the central company headquarters, an outlying area has been designated as the assembly point for temporary headquarters.

Division general managers are delegated the responsibility for providing effective disaster planning for locations under their direction.

Each Monsanto location maintains an up-to-date Disaster Control Plan. Plans follow the guides set forth in the latest edition of "Plan for Organization for Protection of Company Units in Case of Emergency and Disaster", available through the Safety and Property Protection branch of Central Engineering which is responsible for advice and assistance on these plans and as a source of information. In the event of a disaster, the company's emergency press coverage procedure is observed.

Corporate Identity

Monsanto's Corporate Identity Program projects and maintains in all the company's visual communications throughout the world a consistent appearance that reflects the progressive, diversified and integrated character of the company.

Monsanto communicates to the public through its advertising, literature, publications, speeches, employes, stands taken on public issues, the appearance of plants and offices and by the kind and quality of the products manufactured.

The office of Corporate Identity is established under the vice president, Marketing and is responsible for preparing and maintaining a Corporate Identity Manual for use throughout the company and its subsidiaries.

Distribution of Reports

Monsanto's general policy with respect to distribution of periodic reports covering progress and developments of divisional and central department activities is to maintain an optimum balance of security of confidential company information and good communications.

The general practice is not to circulate entire reports beyond the authorized recipients. Where it is deemed necessary for some personnel to have knowledge of definite items contained in reports, such information should be transmitted verbally or by specific excerpts or properly excised copies.

The criterion for distribution is need for information. No one with real need must be deprived of necessary information. The company distribution practices apply to all subsidiaries.

Governmental and Civic Affairs

Monsanto, as a citizen of the nation and of communities in which its plants, laboratories and offices are located, recognizes and works to fulfill its governmental and civic obligations.

The objective of the governmental and civic affairs function is to maintain good relationships with government at the local, state and national level; government which, while conducted in the interests of all segments of society, ensures the successful and profitable operation of business enterprise.

Corporate Contributions

It is in the best interests of the company to establish and maintain good relationships with the communities in which it does business, with educational and scientific institutions and with industry and the public in general. Monies are set aside and charitable contributions are made through the Monsanto funds: The Monsanto Fund provides for contributions to recognized organizations of a non-profit nature; The Educational Fund provides for university and college fellowships, scholarships and grants-in-aid. Non-charitable and non-educational contributions of a corporate nature are made from the general accounts.

Corporate Memberships

Corporate memberships are memberships in organizations which are neither charitable nor educational, performing services locally or nationally that directly or indirectly benefit the company as a whole. Authority to approve expenditures for such memberships is vested in a Corporate Membership Committee, appointed by the president.

included with the Standard Record Retention Schedule. For plant and office locations not convenient to the St. Louis area, record centers are established for local needs.

Utilization of a record center does not reduce the responsibility of any office for adherence to record retention schedules.

Company records are not to be kept at the homes of employees.

Acquisition of Data Processing Equipment

Data processing and data communications equipment, including digital and analog computer systems and unit record equipment are subject to critical evaluation prior to ordering such equipment. Economies, compatibility of systems, present and future requirements are a few of the more important considerations.

Requisitions for the purchase, lease or rental of such equipment are subject to joint approval by the initiating division general manager or central department director and the director, Management Information and Systems Department.

The total capital value of such equipment is the criteria for determining the level of management approval for expenditures. These approval levels follow the delegations and limits established by the Board of Directors for capital expenditures.

Project Purchasing

Central Engineering purchases materials, equipment, supplies and other required items for assigned projects. Purchasing activities are carried out in accordance with established Purchasing Department procedures and under functional guidance of Purchasing Department personnel.

Whenever outside contractors are retained for major construction projects, they may be authorized to procure certain materials for the project. Under such circumstances, Central Engineering Department personnel direct the contractors' procurement efforts to ensure maximum benefits to the company in terms of price, quality and vendor relationships, under the functional guidance from the Purchasing Department.

Purchases from Local Companies

Every effort is made to permit the participation of local companies in Monsanto's purchases at all locations, but the local concern is expected to be fully competitive with other sources.

Competitive Purchasing

Purchases are made under competitive conditions, where feasible, which ensure fair and equitable consideration of the proposals from financially responsible and reliable suppliers and which provide the company with the lowest price consistent with quality, quantity, delivery and service.

Pricing information is kept strictly confidential.

Purchase of Materials from the Government

On occasion, the Government offers for sale, usually on a negotiated basis, substantial quantities of materials resulting from its own manufacturing operations, materials reclaimed from Government equipment or materials surplus from prior purchases. Where such offerings involve substantial quantities of material which Monsanto also manufactures or uses, the general manager concerned handles as a divisional matter.

National Buying

National purchasing agreements are developed and maintained with emphasis on cost reduction. Such agreements take priority over all other local agreements, unless specific exceptions are made or divisions or central departments are required to pay a premium under such contracts. Local purchasing personnel are expected to utilize and support these agreements and keep the Purchasing Department currently appraised of market, price and service conditions or other matters related to specific national buying agreements vital to corporate interests.

International Purchasing

As a major international company, Monsanto looks at its purchases on a worldwide basis. The company remains currently knowledgeable of competitive markets throughout the world and endeavors to purchase for all domestic and international locations in a manner which maximizes the effectiveness of the purchasing effort. In its domestic operations the bulk of purchases are made from domestic suppliers; however competitive international suppliers are considered and may be preferred where special interests are involved.

Leasing

The acquisition of property and services through leases, including net finance leasing and supplier leasing, is administered by the Purchasing Department. Financial arrangements and negotiations to provide necessary funding for net finance leases are the responsibility of the Treasury Department.

Equipment and facilities are normally purchased, but non-manufacturing assets may be leased, when the excess cost of leasing is less than an annual 8% after taxes of the purchase price averaged over the useful life of the property.

The following types of equipment and facilities may be leased under the company's leasing programs:

- A. Miscellaneous mobile equipment.
- B. Ships and barges.
- C. Warehouse and storage facilities away from plants.
- D. Certain equipment and facilities available only thru leasing arrangements.

Equipment and facilities leases incur liability for future payment. The full purchase price and services, if obtained, are the criteria for determining the level of management approval for the expenditure. These approval levels follow the delegations and limits established by the Board of Directors for capital expenditures.

Where specialized requirements exist and the nature of leasing arrangements are unique, the Purchasing Department may delegate leasing responsibilities -

- A. Distribution Department - transportation equipment.
- B. Management Information and Systems Department - electronic data processing; related equipment, communications equipment and facilities.

C. Hydrocarbons & Polymers Division - bulk plant and service station facilities.

Relationships with Vendors and Contractors

All vendor and contractor sales representatives are granted a free and full hearing consistent with the potential value to the company of the product or services involved.

All contacts with vendors for the purpose of expediting deliveries, entering claims or returning material for credit or adjustment are made through the purchasing organizations and in accordance with established purchasing procedures.

Equipment Standardization

Equipment is standardized at all locations as far as practical. The Purchasing Department serves as the repository of information related to approved standardized equipment for use throughout the company.

Security Agreements

Security agreements between the company and suppliers are a part of purchasing contracts under certain conditions. The content and format of such agreements are developed by the Law Department. The Law Department cooperates with the Purchasing Department in the development of contracts and agreements which will be legally acceptable to Monsanto. See the Security Manual, Section F of the Management Guide, for further details.

Materials Research Function

Current and long-range purchasing requirements are reviewed by the Purchasing Department. Research is conducted for new sources of supply and methods sought to improve the purchasing economics.

Endorsement of Raw Materials or Equipment for Vendor Advertising

No letters of endorsement, whether solicited or unsolicited, are written for materials or equipment furnished by any vendor without the approval of the director of Purchasing Department.

Acceptance of Gifts from Vendors

Employees do not solicit or accept significant gifts, expensive entertainment or loans from vendors. There is no objection to the acceptance of items of small intrinsic worth or of advertising nature, or of an occasional lunch or dinner that serves a business purpose.

Disposal of Surplus

The Purchasing Department remains cognizant of material and/or equipment declared obsolete or surplus by divisional management, and determines possible need or use of such material by other operational locations prior to release for local disposal. The sale of scrap, salvage, obsolete and surplus material or equipment is handled by local Purchasing personnel in the manner most advantageous to the company and in accordance with Treasury procedures. Such material may be offered for sale to employees on a cash or equivalent basis.

Purchases for Employees

Company purchase orders are not used in making personal purchases except for approved purchases such as work clothing, safety equipment, small tools and other items required by the employee in the performance of his job.

When employees drive such vehicles, both they and the company are insured against claims for damage or injury by third parties. See Company Cars Used by Marketing Personnel, page D-VII-5 for further information.

- B. Personal Use of Company Cars - In certain cases employees are allowed to use company automobiles for personal business and on extended personal trips. Permission must be previously obtained from concerned supervision. In such cases, the company pays all costs of operating and maintaining the car and the employee is charged a flat eight cents per mile. Insurance is provided to protect both the employee and the company against claims for injury or damage by third parties.
- C. Employee-Owned Automobiles - When employee-owned automobiles are used on company business, employees are reimbursed at the rate of eight cents per mile. The company is protected against claims for damage or injury by third parties; however, the individual employee is responsible for obtaining his own personal protection against such claims.

Rail, Bus and Boat

Employees preferring to utilize railroad, bus or boat accommodations in lieu of air or automobile travel may do so provided company interest is not sacrificed for personal convenience. First class accommodations are authorized.

Travel Insurance

Travel insurance covering death, dismemberment or total permanent disability, payable to the employee or his estate, is carried on all employees (except those whose primary duty is chauffeuring, or where driving is a regular, established function of the job) while traveling on business. Coverage begins at the time the employee leaves his home or office and continues until he returns to his home or office, whichever is first.

Employees and guests are also insured for death, dismemberment or total permanent disability when traveling as a passenger on a Monsanto owned, chartered or leased aircraft, with payments to beneficiaries subject to execution of a waiver of Monsanto liability.

posed improvements demonstrate increased yields; reduced manufacturing maintenance; reduced costs; improved quality or uniformity of product; increased safety; or other benefits. Full concurrence of the groups whose responsibilities are concerned is obtained before process modifications are adopted.

Operating Instructions

To ensure that products meet authorized specifications, operating instructions are set up to control production. Operating instructions specify equipment, process variables, machine settings and limits, quality standards and critically necessary sequences of processing operations. All operating instructions are reviewed annually and revised whenever operating changes are made.

Packaging

Packages and containers are designed and constructed to facilitate handling and to protect the product adequately during shipment. Packages and containers are properly marked to identify the product and the manufacturer. Trademarks and other information on the package or container conforms to Patent and Legal requirements and to the Corporate Identity program. Where possible, package and container design meets customer requirements. All packages and containers are shipped to customers in a neat, clean condition to be a credit to Monsanto.

Developmental and Nonstandard Products

Maintenance of the company's competitive position requires the manufacture and evaluation of developmental and nonstandard products. Suitable facilities for such operations are provided.

By-Products

By-products of manufacturing processes are regularly identified, segregated and offered for sale in the balanced best interest of the company, subsidiaries and affiliates.

Cost Reduction Programs

Successful cost reduction programs are essential to the continued economic growth of the company. Such programs may include changes in manufacturing methods or processes as well as more efficient utilization of manpower, equipment, utilities and facilities. All such programs are subject to established procedures for making changes in manufacturing methods or processes and assignment of personnel.

Manufacturing Standards

Manufacturing standards for specific markets are established and adopted for protection of product quality and efficiency of operation. Adequacy of these standards is determined and evaluated on the basis of worldwide market requirements, customer satisfaction, industrial practice and the ability to attain them.

International Manufacturing

Manufacturing operations abroad are conducted by international member companies (subsidiaries, associates and affiliates) under the overall coordination and guidance of the International Division. Regional management groups, which include resident expertise from supporting divisions, within specifically designated world areas, implement the product strategies and plans concerning manufacturing in assigned member companies. The manufacturing function for common products is supported and backed by the concerned operating division whose management provides appraisal of manufacturing performance, process and managerial improvement, and integration of production plans in the common product strategy. Contractual agreements and requests for assistance are carried out by the above mentioned management groups and monitored by International Division general management.

Selection of Plant Sites

The division general manager carries primary responsibility for the selection and recommendation to the senior vice president, Operations for the acquisition of new plant sites.

Investment in Plant Sites

Investment in plant sites is distributed to the divisions on the following basis:

Charges for the portion of the site actually occupied and used as operating facilities by any division is made to that division.

Charges for any unoccupied portion of the site is distributed to all manufacturing divisions on the same formula used for central office expense.

Site Development Plan

Each location originates and maintains a site development plan using assistance from the Engineering Technology and Services branch of Central Engineering. This plan is designed to minimize loss exposure through proper design and arrangements of equipment and facilities.

All confidential plant information requested by outside contractors or vendors for display purposes is released only by the director, Manufacturing or plant manager concerned, with due regard for security and in accordance with release procedures.

See the Security Manual, Section F of this manual, for further details.

Process Toxicity

To safeguard the health of employees, appropriate toxicological tests and studies are required for any new product or product change reaching the application stage, for process trials or modifications, for any chemical materials not previously used, and for projects which may involve health hazards to employees or customers. Such evaluations are conducted under the direction of Medical Department on the basis of appropriate divisional and/or departmental procedures.

Waste Disposal

The utmost precaution must be observed in the design of facilities and in operation of processes to ensure that effluents, wastes, fumes, dusts and vapors discharged from facilities do not create a public nuisance. To preserve public health and aquatic life, such discharges are monitored in observance of atmospheric and stream pollution standards. Control responsibility and authority is assigned to the operating division responsible for each plant site. The Medical Department provides overall company appraisal and consultation with appropriate federal and state authorities. Direct responsibility for appropriate current activities and plant reduction or elimination of emissions rests with each plant manager. Plant managers must determine the characteristics of waste products and work toward quantitative measurements of those most likely to require elimination or treatment.

Plant Inspections

In order to encourage a high standard of maintenance, safety, and appearance of all plants, and to assure that employee facilities are maintained on a high plane, all major domestic, Canadian and Mexican operations are inspected once each year.

Inspection committees are appointed by the senior vice president, Operations after consulting with the directors, Manufacturing of the various divisions. The travel schedule and the inspection procedures are decided each year, based on current needs.

- accommodation and entertainment arrangements;
- coordination of various division and other organization interests, with respect to common customers.

In all cases, customer visits are arranged through the appropriate marketing personnel.

Terms and Conditions of Sale

Terms of sale of the company's products are set by the operating division concerned.

Conditions of sale are set by the operating division concerned in keeping with requirements established by the Law Department.

Customer Credit

Credit is extended to customers in accordance with established terms and in keeping with requirements established by the Treasury Department.

Sales Training

Effective sales training, personnel development, and appraisal programs are carried out throughout the company. These programs, along with promotional opportunities, assure progressive and dynamic marketing organizations for the company.

Company Cars Used by Marketing Personnel

Company cars are normally leased for use by marketing personnel on regular company business. Standards and procedures governing these company cars used for the marketing fleet are established by the Marketing Services Department. For further information concerning the use of company cars, see Automobile Travel, page D-II-20.

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before every election, and shall at all times, during the usual hours for business, and during the whole time of said election, be open to the examination of any stockholder.

10. Special meetings of the stockholders, for any purpose, or purposes, unless otherwise prescribed by statute, may be called by the president, or pursuant to resolution of the board and shall be called by the president or secretary at the request in writing of a majority of the board of directors, or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding, and entitled to vote. Such request shall state the purpose or the purposes of the proposed meeting.
11. Business transacted at all special meetings shall be confined to the object stated in the call.
12. Written notice of a special meeting of stockholders, stating the time and place and object thereof, shall be mailed, postage prepaid, at least ten days before such meeting, to each stockholder entitled to vote thereat at such address as appears on the books of the corporation.

DIRECTORS

13. The property and business of this corporation shall be managed by its board of directors, fourteen in number. Directors need not be stockholders. They shall be elected at the annual meeting of the stockholders, and each director shall be elected to serve until his successor shall be elected and shall qualify.
14. The directors may hold their meetings and have one or more offices, and keep the books of the corporation, except the original or duplicate stock ledger, outside of Delaware in the County of St. Louis, Missouri, or at such other places as they may from time to time determine.
15. Vacancies in the office of any director or directors and newly created directorships resulting from any increase in the authorized number of directors, may be filled by a majority of the directors then in office, though less than a quorum, and the directors so chosen shall hold office until the next annual election and until a successor or successors have been duly elected, unless sooner displaced.

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16. In addition to the powers and authorities by these by-laws expressly conferred upon it, the board of directors may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

COMMITTEES OF DIRECTORS

17. The board of directors may, by resolution or resolutions passed by a majority of the whole board, designate one or more committees, each committee to consist of two or more of the directors of the corporation, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, and may have power to authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.
18. The committees shall keep regular minutes of their proceedings and report the same to the board when required; but failure to keep such minutes shall not affect the validity of any acts of the committee or committees, if such acts were authorized by a majority of the members thereof.

COMPENSATION OF DIRECTORS

19. Directors, as such, shall not receive any stated salary for their services, but by resolution of the board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the board; PROVIDED, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.
20. Members of special or standing committees may also be allowed compensation and expenses of attendance for attending committee meetings.

POSITION TITLE Director of Central Personnel Department

REPORTS TO Vice President, Administration

FUNCTION

Directs the company's personnel relations activities, including recruiting, manpower planning, management development, labor relations, compensation programs, methods and procedures activities and the planning, design and administration of the company's pension and group insurance plans and programs. Formulates and recommends new personnel policies or changes in existing policies. Exercises functional direction of personnel relations activities throughout the company. Administers the personnel and the office services functions at the headquarters site and provides office management support to all units of the company. Coapproves, with concerned members of operating management, personnel assignments in his functional area of responsibility.

DUTIES

1. Develops long-range plans for the recruitment, development, compensation and management of Monsanto's human resources, working with executive, divisional and central department management.
2. Formulates, revises, approves and provides uniform interpretation and administration of all company personnel policies and procedures.
3. Assists the divisions and central departments by providing advice, counsel, guidance and coordination in all areas of personnel management.
4. Plans, directs, administers and coordinates the recruitment of technical and other professional personnel throughout the company from universities and experienced sources, as agreed upon with the divisions; carries out screening interviews and refers candidates to company locations for final decision; administers the summer technical student employment program.
5. Coordinates the administration of all university-related matters, including the aid-to-education program and the retaining of company technical consultants in the field of personnel management.

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POSITION TITLE Director of Central Personnel Department

6. Coordinates personnel policies and functions relating to the operation of the headquarters site; provides a broad range of personnel services to the headquarters site, including the recruitment of nonexempt personnel and the administration of compensation and benefit programs.
7. Carries personal responsibility for specific programs; University Advanced Management Programs; Academic Leave Programs; the Key Scientist and Technologist Advancement Plan.
8. Evaluates, periodically, all personnel programs throughout the company.
9. Administers a program of personnel analysis and planning to enable the company to optimize its efforts in the area of personnel relations through research and special studies.
10. Plans and administers a comprehensive program for manpower planning and the development of Monsanto's human resources, through the establishment of optimum educational and developmental activities, working with executive and divisional management and periodically reviewing programs undertaken.
11. Formulates, interprets and administers company-wide the pension and group insurance plans and programs, the salary plan, service awards, and other matters affecting employee compensation, benefits or practices. Makes appropriate recommendations and advises and counsels those charged with other elements in the planning and administration of the financial aspects of employee benefit programs. (For financial and trustee aspects, see Treasurer's position description.)
12. Formulates and interprets labor relations policy and practices, coordinates action and advises management throughout the company; advises on all union relations matters, including maintenance of working relations with international union officers; assists divisions and locations in planning, coordinating and implementing labor relations training and development.
13. Coordinates and evaluates programs of personnel selection, orientation and development for both salaried and hourly employees throughout the company; studies and develops new techniques, implements their introduction and furnishes continuing advice and counsel to all locations on these activities.

POSITION TITLE Director of Central Personnel Department

14. Plans, administers and coordinates an effective program of employee communications for the company with the assistance of the Public Relations Department.
15. Through the office services manager at the headquarters site:
 - a. Provides office services and building and grounds maintenance for the headquarters site.
 - b. Furnishes staff assistance to other company offices on office management matters.
 - c. Implements the forms control, records management and records maintenance programs; maintains records management program.
 - d. Plans, coordinates and administers the headquarters site Safety Program.
 - e. Develops and maintains a community relations program for the headquarters location with local governmental and civic groups.
 - f. Plans and coordinates the allocation of space, maintaining appropriate physical and decorative standards and furniture and equipment standards.
 - g. Reviews, appraises and secures any necessary approvals for alteration or expansion of the headquarters site.
 - h. Maintains principal liaison for passenger traffic service and represents the corporation in the necessary contacts.
16. Serves as chairman of the Salary, Retirement Plan, Headquarters Site Administration and Office Standards Committees and as a member of the Housing Committee.