MONSANTO CHEMICAL COMPANY

800 NORTH LINDBERGH BOULEVARD
ST. LOUIS 66, MISSOURI

April, 1962

TO HOLDERS OF MONSANTO MANAGEMENT GUIDE:

Enclosed are revised pages for the Monsanto Management Guide which are updated through April, 1962.

PLEASE RETAIN: Section dividers
The Assignment Page and Title Page
(Both pages show the number of the Guide issued to the holder for which he is responsible)
Preface

Section A	Remove and insert new Pgs 1+2 Table of Contents RETAIN 3+4
Section B	RETAIN
Section C	Remove and insert new Table of Contents RETAIN pages C-1, 2, 3, 4, 5, 6 Remove and insert new pages C-7 through C-18
Section D	RETAIN Table of Contents RETAIN pages D-1, 2 Remove and insert new pages D-3, 4, 5, 6, 7, 8 RETAIN pages D-9 through D-34
Section E	Remove and insert new Table of Contents Remove and insert new pages E-1 through E-35
Section F	RETAIN
Section G	RETAIN Table of Contents RETAIN pages G-1 through G-12 Insert new pages G-13, 14, 15, 16 RETAIN pages G-17 through G-25
Section H	RETAIN Table of Contents Remove and insert new pages H-1, 2 RETAIN pages H-3 through H-10

missing C-7 + 8

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Section I   Remove whole section including TABLE OF CONTENTS and insert whole new section

Section J   Remove and insert new Index
RETAIN Appendix

James H. Lum
Assistant to the President

MCO 1530331

MONSANTO CHEMICAL COMPANY *Inter - Office Correspondence*

From LOCATION : General Offices - St. Louis cc :

DATE : May 7, 1962

SUBJECT : MONSANTO MANAGEMENT GUIDE

REFERENCE :

TO : ALL HOLDERS OF MONSANTO MANAGEMENT GUIDE

Enclosed are two new sheets for inclusion in your Monsanto Management Guide.

Please destroy present sheets (4/62) nos. E-3, E-4, E-5 and E-6 and replace with these new pages (5/62) nos. E-3, E-4, E-5 and E-6.

James H. Lum
Assistant to the President

/gl

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No appropriation forecast will be considered by the Executive Committee unless the project has been listed as an anticipated forecast in the prior quarterly Construction Program.

C. RETIREMENT PROJECT REQUESTS

Retirements of fixed assets having a gross property value (before deducting accumulated depreciation) of more than $100,000 are cleared through normal channels with the Executive Committee by submission of retirement project requests.

Where applicable, retirement project requests are attached to appropriation requests. Overruns and underruns of retirements are subject to the same requirements for approval as original retirement project requests.

Each general manager must clear annually with the Budget Committee the amount of write-off regarding obsolescence for all property to be retired by his division during the coming year.

III. APPROPRIATION REQUEST PROJECT PERFORMANCE REPORTS

The results of actual operation of completed capital projects approved under appropriation requests are reported to the Project Performance Committee for all appropriation requests for $250,000 or more of new fixed capital which indicate new earnings and/or cost savings. These reports show a comparison of actual results with those estimated in the appropriation request.

Subsequent follow-up reports are prepared for those projects specifically indicated by the Project Performance Committee.

The format and procedure for these reports is provided by the Controllers' Office.

IV. ASSOCIATED COMPANIES—POLICY

In those areas where Monsanto competes with an associated company, Monsanto treats that company as it does any other competitor. In those areas where Monsanto competes for the business of an associated company, Monsanto treats the associated company as it does any other customer.

V. BUDGETARY CONTROL PLAN

Each division and staff department, in the fall of each year, prepares a budget of sales and income and selling, administrative, research, engineering and patent expenses (SARE expense) for the ensuing calendar year.

The proposed budgets of the divisions and staff departments are consolidated by the Controllers' Office for review by the Budget Committee. On acceptance and approval by the Budget Committee, the budget becomes the annual budget for the calendar year.

Divisional performance is judged against budgets to establish control and accountability of operations. Following each calendar quarter each divisional general manager presents to the Budget Committee (1) a comparison of actual results versus budget with an explanation of deviations from budget, and (2) a projection of performance for the balance of the year.

Staff department directors are also required to explain material deviations from their budgets.

It is possible that changing circumstances during the year can require revision to SARE budgets. Such revisions are permissible only with approval of the Budget Committee. A proposed revision is submitted on the standard form "Request to Revise SARE Budget." The form provides a formal and orderly manner of revising SARE budgets and assures presentation of complete data.

Quarterly reviews with the Budget Committee include explanations of overruns and/or underruns of SARE budgets.

The approved annual budget is prepared in Budgetary Control data form which segregates the operations of each division into product groups. Data are reported by quarters for the year.

A product group is usually, but not necessarily, made up of related products selected by divisional management for common characteristics.

Various data reported for the product groups include dollar sales and income after tax; return on investment; income as a % of sales; dollar of sales per dollar of investment.

Actual performance of product groups is reported in comparison with budget and serves as the base for divisional reviews with the Budget Committee.

The divisions and departments also prepare a forecast of sales, income and SARE expense for the year subsequent to that covered by the annual budget. This forecast is revised at mid-year to reflect revised outlook and to provide foundation and background for preparation of the next annual budget. The purpose of these forecasts is to project the results of future operations; they are not attended by any authorization, real or implied, for actual expenditure. It is not intended that these forecasts be prepared with the detailed effort required for the annual budget; they are, however, to present, in the General Managers' opinion, a reasonable and realistic estimate of the next year's operations.

The forecast for the year subsequent to the annual budget is also prepared in Budgetary Control data form though not by calendar quarters.

The routine of procedures and time schedules may change from time to time and is coordinated by the Accounting Department. Questions regarding procedure in greater detail should be directed to that department.

VI. CAPITAL EXPENDITURE FORECASTS

In order to forecast capital expenditures, all projects are classified as follows:

A. Group I—Capital outlays of $250,000 and over:

Appropriation forecasts (on forms available from the Accounting Department) are prepared on such projects and submitted to the Executive Committee for approval; whenever possible, this is done on an individual project basis; where circumstances warrant, however, appropriation forecasts can be submitted on a blanket basis.

B. Group II—Capital outlays from $100,000 to $250,000:

This class of project does not require appropriation forecasts. The divisions, however, must prepare a listing of contemplated expenditures, identifying them by name wherever possible and indicating whether they are "must" or "deferrable" projects. Where necessary, projects can be identified on a blanket basis. These listings receive quarterly review by the Executive Committee.

C. Group III—Capital outlays of $100,000 or less:

No appropriation forecasts or listings are prepared for Group III projects; monthly lump sums already established by the Executive Committee for each division to cover projects in this classification are used.

These forecasts apply to both fixed and working capital and to advances to or investment in subsidiaries, associated and affiliated companies, whether such investment be in cash or in product value.

VII. CIVIC RELATIONS

A. Policy Statement Concerning Employe Participation in Politics

The objective of the civic affairs function in Monsanto is to help obtain and maintain good government at the local, state and national level; government which, while conducted in the interests of all segments of society, likewise insures the successful and profitable operation of business enterprise. This objective will be obtained only by the development of a high quality of citizenship. It is a task which demands the attention of every individual as an employe and as a citizen. The activities which take place in the attainment of the objective may logically be divided in two parts: the political and the governmental.

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RESTRICTED POLICIES AND PROCEDURES

This section is provided so that you may save any other important company documents applicable to company or local policy.

APPENDIX A
MONSANTO REFERENCE PUBLICATIONS

B—Monsanto Business Principles

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BUSINESS PRINCIPLES OF MONSANTO CHEMICAL COMPANY

In the belief that a company, like an individual, must live by a set of principles, we hereby dedicate ourselves . . .

IN OUR BUSINESS RELATIONS . . .

To act on all occasions according to the dictates of ethical principles, unquestionable honesty and complete fairness.

To address the company's total mental and physical facilities to the task of transforming matter, by applied chemistry, into more useful compositions and making these available economically throughout the world.

To study continuously and improve the practices and accomplishments of our organization, in keeping with accepted standards of excellence in American industry.

To settle for nothing less than technical leadership in the chemical industry world-wide through use of the best minds and the best facilities available.

IN OUR RELATIONS WITH OUR CUSTOMERS . . .

To provide our customers with the highest quality products, with the highest standard of service, at equitable prices.

IN OUR RELATIONS WITH OUR COMMUNITIES . . .

To be a good neighbor in all it implies, and a substantial contributor to the general welfare of society.

IN OUR RELATIONS WITH GOVERNMENT . . .

To work vigorously to obtain and to support good government at all levels—federal, state and local.

To strive for governmental policies which encourage economic growth consistent with free enterprise and the preservation of individual liberties.

To keep informed on legislative and other trends in government.

To foster a better understanding by our employes, by representatives of government and by other thought leaders of critical economic and political issues that affect American industry.

To encourage and stimulate employes, on a non-partisan basis, to take an active part in political and governmental affairs.

IN OUR RELATIONS WITH OUR SHAREOWNERS . . .

To provide shareowners with an optimum continuing return on their investments.

To strive, on a long-term basis, to improve the investment advantage of Monsanto shareowners and to attract purchasers of Monsanto shares.

IN OUR RELATIONS WITH OUR PERSONNEL . . .

Through the conduct of our business, its public relations and its advertising, to stand pre-eminent in the eyes of all people of all nations as a desirable company for which to work.

To select employes of highest ability and good character and to place them in positions which will utilize their talents to the best advantage, preserving the individuality, dignity and creativity of each and affording them commensurate opportunity and compensation.

To carry on all employe relations in good faith.

To adhere to the spirit as well as to the letter of collective bargaining agreements and other agreements.

To maintain the most beneficial balance between the importance and well-being of the individual and our responsibilities to customers and shareowners.

To recognize and develop personnel resources within the company and maintain programs which will insure the successful future management of the company.

To maintain an anti-nepotism policy in employment practices.

To define functions and relationships clearly but not so literally as to hamper initiative, action and growth.

To provide an opportunity for individuals to achieve eminent stature and high level monetary rewards through the technical or staff specialist route as well as the administrative route.

To promote from within, but favor a small amount of infiltration from the outside to avoid inbreeding.

To maintain those company practices and policies which will effectively insure the safety of our employes and communities in which we operate.

IN OUR GROWTH . . .

To grow principally from within through research and technological development.

To provide a balanced research program aimed at an optimum return on present capital investment and at providing a steady flow of profitable new products and processes.

To grow through acquisition only when this proves to be the most economical and feasible method of entering a field; and then only if the acquisition integrates well with existing company operations.

To emphasize expansion in areas where the company can achieve and maintain exclusiveness through patents, franchises or other special strengths.

To plan globally with full appreciation of current politico-social movements throughout the world, and to study opportunities in the light of these developments.

C—Organization

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SECTION C

ORGANIZATION

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ORGANIZATION

The purpose of organization is to enable a group of persons to work together effectively and happily toward a common goal. An organization is something dynamic—it changes and must change with the times. Therefore, Monsanto will continuously study the type and the facets of its organization and strive for improvement as the situation warrants.

The attainment of corporate objectives requires three definite areas of responsibility: trustee, executive, operating.

I. TRUSTEE AREA

A. Board of Directors:

The Board of Directors is elected by the shareowners to whom the board is responsible for the affairs of the company.

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 68 years of age. All other Directors must retire from the board upon reaching age 65.

No general manager of a division or director of a staff department may be simultaneously a member of the Board of Directors.

The Secretary of the company is secretary of the board.

All employes of the company are ultimately responsible to the board through the President.

The Board of Directors shall:

1. Act on all matters involving major corporate policies or transactions and exercise general control over the business and property of the company. It may designate committees to exercise certain powers of the board.

2. Elect officers of the company and fix their salaries.

3. Exercise all powers of the company and do all lawful acts and things as are not by statute, the Certificate of Incorporation or the bylaws required to be exercised by the shareowners, including amendment or repeal of company bylaws.

4. Review and approve requests for capital appropriations for (1) new projects, (2) replacements, (3) overruns, (4) changes in scope or (5) retirement of assets by obsolescence, which exceed $500,000 per item and have been recommended by the Executive Committee.

5. Review and approve the sale of all tangible and/or intangible assets which involve payments to the company in excess of $500,000 for any one transaction, except sales of technical know-how and services and sales wherein the buyer requires specific board authority.

6. Hold regular meetings at the offices of the company at St. Louis County, unless some other place is specified, on dates set by the board.

7. Hold special meetings as called by the President on two days' notice to each Director or by the President or Secretary similarly on the written request of two Directors. Five Directors are necessary to constitute a quorum. The act of a majority of the Directors present at any meeting at which there is a quorum is the act of the board except as may be otherwise specifically provided by statute, the Certificate of Incorporation or the bylaws.

B. Chairman of the Board

The Chairman of the Board presides at all meetings of the Board of Directors and of the shareowners, except such as under the law must be presided over by the President or a specially appointed chairman. In the absence of the Chairman of the Board, the President may take his place. The Chairman acts in an advisory capacity with respect to matters of policy and other matters of importance pertaining to the affairs of the company. He and the President send out reports and other messages to shareowners from time to time.

The Chairman of the Board is a member of the Finance and Executive Committees.

C. Executive Committee

The Executive Committee is elected by the Board of Directors and is responsible to it. It shall include the Chairman of the Board and the President, who serves as its chairman. The committee appoints its own secretary. Three members shall constitute a quorum. Division general managers and staff department directors may not be members.

The Executive Committee shall:

1. In the interval between meetings of the board, have and exercise the powers of the board, except those pertaining to:

   a. Financial matters within the jurisdiction of the Finance Committee,

   b. Those matters on which the board has given other specific directions,

   c. Matters relating to corporate organization, changes of capital structure and financing, the closing of stock transfer books, the declaration of dividends and voting stock of other companies.

2. Have authority not in excess of $500,000 per item, and in an aggregate amount of $1,250,000 per month averaged over the calendar year, to approve requests for capital appropriations for:

   a. New projects;

b. Replacements;

c. Retirement of assets by obsolescence.

It may delegate authority to approve such expenditures in lesser dollar amounts.

The President, as chairman of the Executive Committee, has authority to approve requests for capital expenditures not to exceed $200,000 per project. In addition, each other Executive Committee member has authority to approve requests for capital expenditures in his sphere of interest not to exceed $150,000 each project. The chairman and each member of the Executive Committee has authority to approve other expenditures not to exceed $10,000 each item.

As a matter of policy, requests for capital expenditures between $100,000 and $150,000 are ruled upon by the appropriate Executive Committee member rather than by the full committee.

Proposals exceeding the limits shown above are referred by the committee with its approval to the board for action.

In all cases where an appropriation request involves a question of policy, wide departure from long-range plans, or ultimately will involve substantially larger amounts of money, the individual to whom such request has been referred for approval must bring it before the full Executive Committee for approval, regardless of size of request.

3. Have authority to approve each underrun, overrun or change in scope of capital appropriations when the amount of such overrun, underrun or change in scope is beyond the general manager's authority or is five per cent or more of the approved project cost or in excess of $100,000, whichever is less.

4. Have authority to approve sale of tangible and/or intangible assets which involve payments to the company of up to $500,000 for any one transaction, except that in the sales of technical know-how and services its authority shall not be limited by dollar amount. Authority to sell any intangible assets such as trademarks, trade names, technical know-how and services, patents, etc., or real estate shall not be delegated by the Executive Committee, except that the Vice President of research, development, patents and basic engineering shall be consulted on all matters concerning the sale of technical know-how and services and shall have the authority to approve sale of technical know-how and services for any transaction which is estimated will result in payments to Monsanto of not more than either an average of $150,000 per year or a total of $500,000 over a five-year period. Proposals for sales of assets, except technical know-how and services, which exceed the dollar limits shown above, or wherein the buyer requires specific board authority, shall be referred to the board for action.

5. Approve appropriation forecasts in accordance with established procedures.

6. Authorize signers of checks on Monsanto accounts.

7. Develop and evaluate the long-term objectives of the company.

8. Be responsible for and evaluate the long-range plans of the company.

9. Evaluate short-term plans of the divisions and staff departments to assure that they are adequate to attain established goals.

10. Resolve disagreements between any units of the company which have not been settled by the President or by one of the Vice Presidents.

11. Report its acts and proceedings to the board at the board's next regular meeting.

Communication with Executive Committee:

All appropriation requests and forecasts are addressed to the President, with copies indicated for the other members of the Executive Committee and the Chairman of Corporate Planning and Evaluation.

All other matters directed to the Executive Committee for action are addressed to the President, with copies indicated for the other members of the Executive Committee.

All copies of every communication to the Executive Committee are sent to the secretary of the Executive Committee for distribution. The number of copies required are as follows:

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Appropriation requests—action required by:	
Executive Committee	22
Finance Committee	22
Board of Directors	28
All other matters—action required by:	
Executive Committee	10
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D. FINANCE COMMITTEE

The Finance Committee is elected by the Board of Directors and is responsible to it. It has general supervision and control of all the usual and ordinary financial affairs of the company and it is of equal rank with the Executive Committee.

The Finance Committee is composed of the Chairman of the Board, the President and one or more members of the board.

The Finance Committee shall:

1. Keep informed of the company's financial condition and its requirements for funds.

2. Recommend to the board on:

a. Investment of surplus funds;

b. Designation of depositories;

c. Time, kind and amount of securities to be issued by the company for supplying its requirements for funds;

d. Payment of dividends and the conditions thereof;

e. Salaries for all officers, after receiving recommendation of the Executive Committee.

3. Comment to the board, in the light of the financial situation at any one time, upon the necessity of the funds requested.

4. Report its acts and proceedings to the board at the board's next regular meeting.

II. EXECUTIVE AREA

A. President

The President is the chief executive officer of the company. Responsibility for implementing the plans and policies of the Board of Directors and its Executive Committee is lodged, under the laws of Delaware and the company's bylaws, in the President. However, he may delegate authority and responsibility to subordinates in the company but remains accountable to the board and its Executive Committee for their performance.

The following report to him:

Vice Presidents

General Managers

Director of the Public Relations Department

Manager of the Washington Office

Assistant to the President

Corporate Planning and Evaluation Chairman

In the absence of the Chairman of the Board, the President shall preside at all meetings of the shareowners and of the Board of Directors. He shall have general and active management of the business of the corporation, see that all orders and resolutions of the Board of Directors are carried out. He also shall execute bonds, mortgages and other contracts under the seal of the corporation. Unless otherwise ordered by the Board of Directors, the President shall attend on behalf of the company and vote at any meeting of shareowners of any corporation in which the company may hold stock. He also may execute proxies in favor of other persons so to act for the company.

In addition to his over-all duties, he has responsibility for:

1. Maintaining control over company operations and assigning to staff the responsibility for devising techniques for measuring performance against standards of accountability.

2. Selecting division general managers and staff department directors.

3. Serving as chairman of the Executive Committee, member of the Finance Committee and, ex-officio, all other committees, except Bonus and Stock Option.

4. Serving as chairman of the Budget Committee.

5. Establishing a plan of organization, with approval of the Board of Directors, which will enable all parts and members of the company to function most effectively in reaching established objectives.

6. Fixing, or delegating the responsibility for fixing, salaries for all employes, not officers.

7. Approving basic programs in public relations, overseeing their execution and evaluating their results.

8. Approving the broad program of activities of the Washington Office and evaluating the results.

The President shall have authority to approve requests for capital expenditures not to exceed $200,000 per project and authority to approve other expenditures not to exceed $10,000 each item.

B. Executive Committee Members

Each member of the Executive Committee, except the Chairman of the Board and the President, is responsible for functional coordination of an area of company activity by counseling, planning, setting standards, evaluating budgets and performance, and reporting results and recommendations. Each Executive Committee member has responsibility for the following:

1. Evaluating the plans of the divisions and staff departments to assure that they are adequate in his functional sphere to attain established goals.

2. Determining and eliminating points of interdivisional conflict by acting as coordinator in matters coming within his sphere of activity when plans or policies appear to jeopardize greater Monsanto's profitability or competitive position.

3. Keeping abreast of the most progressive thinking and experience in his field, and constantly studying and arranging for use within the company of new and better methods of performance in his field of specialization.

4. In his assigned area of activity, promoting standardization among the operating divisions and staff departments on policies and procedures relating to procurement, training and compensation of personnel and evaluating performance of top level personnel to help assure that adequate replacements are provided for key positions in the company.

5. Making recommendations to the President and Budget Committee on company-wide budgets in his field of specialization.

6. Reviewing and reporting to the President on those aspects of all appropriation requests and forecasts which come within his sphere of activity.

The President (with the approval of the Board of Directors) shall designate the sphere of interest and responsibilty for each Executive Committee member.

For other responsibilities of Executive Committee members see "Executive Committee Members," page D-1.

C. Corporate Planning and Evaluation Staff

1. Function

Corporate Planning and Evaluation Staff's principal role is to provide staff help to the President and to the Executive Committee in areas assigned to it by the President.

2. Accountability

Corporate Planning and Evaluation Staff is accountable to the President.

3. Responsibility

a. Long-Range Planning:

(1) Developing, in cooperation with the divisions and the staff departments, a procedure and format for presentation of divisional long-range plans with particular reference to improvement in significance and reliability;

(2) Fostering coordination between the divisions and the staff departments in the preparation of plans;

(3) Pointing out to the President and to the Executive Committee conflicts and/or inconsistencies in the plans of various segments of the company as soon as they become evident;

(4) Consolidating the divisional long-range plans into an over-all company forward projection;

(5) Evaluating the financial, technological and commercial aspects of the consolidated plan in terms of their reliability, significance and relationship to the over-all objectives of the company;

(6) Presenting to the President each year a consolidation and an evaluation of the long-range plans submitted on April 1 by the divisions and staff departments.

(7) Acquiring, appraising and utilizing information from within or without the company on techniques for corporate planning.

b. Appropriation Forecasts and Proposed Company Investments:

(1) Revising, in cooperation with the divisions, procedure and format for the preparation of appropriation forecasts and divisional requests for company investment to improve their reliability, significance and utility;

(2) Assisting the President, at his request, in the appraisal of individual forecasts and proposed company investments with particular reference to their financial and technological content and the significance to over-all company objectives, immediate and long-range;

(3) Making recommendations to the President as to the disposition of these forecasts and proposed company investments;

(4) Submitting recommendations on all appropriation requests and forecasts at the request of the President.

III. OPERATING AREA

A. Divisions and Operating Departments

There are seven divisions and two operating departments:

Agricultural Chemicals Hydrocarbons Inorganic Chemicals Organic Chemicals Plastics	Manufacturing and selling products

Overseas—Selling products, technology and services and managing overseas investments.

Research & Engineering — Researching, developing, buying know-how world-wide and buying and selling know-how domestically.

Gering Plastics Company
The Building Products Department

The differentiation between the five manufacturing divisions is based on product lines. While these fit the chemical nomenclature in most cases, the product line is the ultimate criterion, e.g., the Inorganic Chemicals Division sells synthetic detergents even though they are organic in nature because detergents are one of its product lines. Exceptions may be made also in some cases of by-products. Allocation of a product or product line to a division is made by the President.

There is no limit to the size or assets of a division as long as it confines itself to its assigned fields of operation.

Since the demarcation of divisions is by product lines and not by history or geography, two or more divisions may operate at the same location. The manufacturing investment of any given product line may be wholly or only partly owned by the guest division, which is responsible for any idle plant charges on its share and receives goods at cost to the extent of its ownership. Further details will be found under "Plant Sites - - Joint Occupancy," page E-25, and "Transfer of Products Between Divisions," page E-31.

1. Agricultural Chemicals Division

The Agricultural Chemicals Division is responsible for all agricultural chemicals. The division operates plants at El Dorado, Arkansas, and Luling, Louisiana; and has manufacturing facilities at Anniston, Alabama; Monsanto, Illinois; Nitro, West Virginia; and St. Louis, Missouri.

2. Hydrocarbons Division

The Hydrocarbons Division is responsible for the administration of the plant and the manufacture of products at Texas City, Texas, other than polyolefins; the Chocolate Bayou refinery at Alvin, Texas, on completion; and production, exploration and refining of crude oil, and administration of the plant and the marketing of the products of the refinery at El Dorado, Arkansas.

The division is responsible for supplying or negotiating for natural gas or petroleum feedstocks used by other divisions of the company in all cases where the use of such raw materials represents a significant raw material purchase by the other divisions. Hydrocarbons also has the responsibility of providing chemical raw materials derived from petroleum, particularly where the production of such raw materials results in the concomitant production of other raw materials utilized in part or in whole by the petroleum industry. In general, the Hydrocarbons Division responsibility ends with the production of hydrocarbon chemical intermediates and monomers.

The Hydrocarbons Division shall develop both as a supplier of raw materials for chemicals manufactured by other divisions and as a progressive oil company, extending all of its operations and facilities as opportunities and profitability warrant.

In the petrochemicals area the division shall seek (1) to develop sources of raw materials for divisional operations, based on methane, light gases, field gasoline, refinery streams, condensate and crude oil, so as to optimize the profitability of manufacture of the company's own raw materials from these basic resources, and (2) to find profitable opportunities to produce for commercial sale new (to Monsanto) chemicals from petroleum resources listed above.

These activities shall be carried out with the purpose of enhancing over-all profitability of the company's chemical and petroleum businesses and shall employ, to the maximum extent possible, technology developed by and unique to Monsanto.

3. Inorganic Chemicals Division

The Inorganic Chemicals Division is responsible for all inorganic products, with a few agreed exceptions, for all engineering sales and for operation of the Leonard Construction Company of Chicago. The division operates plants at Carondelet, Missouri; Camden, New Jersey; Everett, Massachusetts; Kearny, New Jersey; Monsanto, Idaho; Monsanto, Tennessee; St. Charles, Missouri; and Trenton, Michigan; and has manufacturing facilities at Martinez, California; El Dorado, Arkansas; Monsanto, Illinois; Nitro, West Virginia; and Long Beach, California.

The engineering sales department is responsible for sales of sulfuric acid catalyst and for design and sale of plants involving Monsanto know-how. Further details will be found under "Sale of Processes," page E-28.

4. Organic Chemicals Division

The Organic Chemicals Division is responsible for all organic chemicals, with a few agreed exceptions, and for operation of the Filtered

Rosin Products Company of Baxley, Georgia, and the Nitro Industrial Corporation of Nitro, West Virginia. The division operates plants at Anniston, Alabama; Martinez, California; Bridgeport, New Jersey; Monsanto, Illinois; Nitro, West Virginia; and St. Louis, Missouri; and has manufacturing facilities at Everett, Massachusetts; Luling, Louisiana; Seattle, Washington; and Texas City, Texas.

5. Overseas Division

The Overseas Division is responsible for the foreign sales of the company's products. The availability of products for foreign sales is determined by negotiation with the domestic divisions concerned.

The Overseas Division supervises and develops the company's foreign investments, excepting oil exploration and production.

The division also implements the sale and licensing abroad of the company's technology and services after consultation with the domestic division concerned and approval of the Vice President of research, development, patents and basic engineering and the Vice President of marketing.

6. Plastics Division

The Plastics Division is responsible for all polymers, with a few agreed upon exceptions entering into or ordinarily classified as plastics, elastomers or polymers sold for the manufacture of synthetic fibers or filaments, and for the upgrading of polymers into certain fabricated plastic products. The Plastics Division is also responsible for the sale of monomers to the plastics, elastomers or synthetic fiber industries for the account of the Hydrocarbons Division. The division operates plants at Addyston, Ohio; Long Beach, California; Santa Clara, California; Seattle, Washington; and Springfield, Massachusetts; and has manufacturing facilities at Everett, Massachusetts; Trenton, Michigan; and Texas City, Texas.

7. Research & Engineering Division

The Research & Engineering Division has as its major assignment the forward technical development of Monsanto, an assignment it shares with the operating divisions. The Research & Engineering Division emphasizes research on new or improved products, new or improved processes, and new scientific knowledge to open avenues for diversification and to increase profits. The division works closely with the operating divisions in all phases of process and product development, from pre-research planning to final commercialization.

a. Research Department

The research department, located at the Research Center at St. Louis, Mo., conducts fundamental, applied and exploratory research in organic, physical, polymer and inorganic chemistry, biochemistry, engineering research and solid state physics. The goals are new products and new chemistry, preferably based on Monsanto raw materials; new techniques or equipment; new lines of endeavor that will lead to diversification; and new fundamental knowledge to strengthen the company's technological foundation.

b. Development Department

The development department accumulates, transmits and interprets information that relates to the economic basis and potential of Research & Engineering Division projects. Included is information on new markets, new industries, new processes, new products, new technologies, forward plans of operating divisions and of consumer industries and activities of competitors. The department maintains a chemical economics information center at the Research Center, screens purchasable know-how and inventions and expedites transfer of information and new research developments to other divisions.

c. Engineering Department

The engineering department is devoted to the improvement of the company's engineering technology. It investigates, develops and adapts for Monsanto use new engineering sciences and techniques and is spearheading the company's use of electronic computers and machine simulation as research, engineering and management tools. It furnishes a versatile and experienced force of engineering consultants to assist the operating divisions in maintaining engineering leadership.

8. Gering Plastics Company, a department of Monsanto, manufactures and markets thermoplastic compounds for injection molding and extrusion; polyethylene sheeting for construction, industrial and agricultural use; vinyl garden hose, sprinklers and soakers; polyethylene household items, including floor mats, shelf liner, garment bags and utility covers; plastic pipe; polyethylene sheeting for industrial packaging. The department operates a plant at Kenilworth, New Jersey, and sells its industrial and consumer products throughout the United States.

9. The Building Products Department is responsible for developing and marketing finished building components and building systems based largely on Monsanto raw materials. Manufacturing and research facilities are contracted from other operating departments and divisions.

B. Staff Departments

Staff Departments are the company's specialized expert units which are of service and guidance to:

1. The top management or corporate level,
2. The divisions,
3. Other staff departments.

Each staff department director is responsible to a particular member of the Executive Committee for the proper performance of that department's functions. Each staff department shall assist the Executive Committee member to whom it reports in the fulfillment of his responsibility for functional appraisal, service and coordination.

There shall be only so many staff departments as the type and extent of the company's operations may from time to time require. Except as modified below, the existence of any such department must be justified on the basis that its function and activities can be carried out more efficiently, economically and logically in a centralized setup than by having responsibility for such activities distributed among the several divisions. A division shall be responsible for only those staff activities which are of peculiar interest or use to it.

The staff departments of the company are:

- Accounting Department
- Law Department
- Marketing Services Department
- Medical Department
- Patent Department
- Personnel & Administrative Services Department
- Public Relations Department
- Purchasing & Traffic Department
- Treasury Department

Further information on the authority, responsibility and accountability of these departments will be found on pages D-15 to D-26.

C. Subsidiaries, Associated and Affiliated Companies

Subsidiaries are companies in which Monsanto directly or indirectly has a controlling interest; associated companies are those in which Monsanto has 50 per cent interest; affiliated companies are those in which Monsanto has less than 50 per cent interest.

1. Subsidiaries—more than 50 per cent owned:

a. Australian Petrochemicals Pty. Limited

A company organized to manufacture and sell styrene monomer and other chemical products based on raw materials derived from petroleum gas produced by Monsanto's partner in the venture, Petroleum and Chemical Corporation (Australia) Limited. It operates a plant at Sydney, Australia.

b. Chemstrand Corporation

A wholly owned subsidiary which is the second largest producer of nylon and acrylic fibers. It operates three U. S. plants and has a wholly owned subsidiary making Acrilan acrylic fiber in Northern Ireland. It also holds important minority interests in acrylic fiber-producing companies in Italy and Japan.

c. Cia Industrial de Plasticos, S.A. (Mexico)

Manufacturer of polystyrene, polyethylene and phenolic plastics. Approximately 2000 finished plastic products for home and consumer use.

d. Filtered Rosin Products Company

A wholly owned subsidiary with manufacturing facilities at Baxley and Douglas, Georgia, for the production of rosin, turpentine and fortified gum rosin size (Mersize). This company is under the jurisdiction of the Organic Chemicals Division.

e. Leonard Construction Company

A wholly owned subsidiary with offices at Chicago, Illinois, engaged in engineering and construction chiefly for the process industry and particularly of chemical plants designed by Monsanto's engineering sales department. It has a Canadian subsidiary, Lenconco Construction Limited, with its main office at Ottawa. Leonard Construction Company is under the jurisdiction of the Inorganic Chemicals Division.

f. Monsanto Argentina, S A I C

A company organized to manufacture and to sell in Argentina products which can be produced economically in that country. It manufactures products of the Organic Chemicals and Plastics Divisions.

g. Monsanto Belgium S.A.

A company organized in Belgium with a plant at Ghent for the manufacture of polyvinyl butyral sheeting.

h. Monsanto Bolivia, Inc.

An oil prospecting company in Bolivia. This company is under the jurisdiction of the Hydrocarbons Division.

i. Monsanto Canada Limited

A Canadian corporation operating plants at Montreal, Vancouver, Edmonton, and (through its subsidiary, Monsanto Oakville Limited) at Oakville, Ontario. It makes chemicals, plastics and adhesives.

j. Monsanto Chemicals (Australia) Limited

A jointly owned subsidiary of Monsanto Chemicals Limited (England) and Monsanto Chemical Company (U.S.A.) which operates plants at Melbourne, Sydney and Brisbane. It manufactures products of the Inorganic Chemicals, Organic Chemicals and Plastics Divisions.

k. Monsanto Chemicals Limited (England)

An English corporation which operates plants at Ruabon, North Wales, and at Fawley and Newport, England. While it has products of indigenous origin, it also manufactures products of the Inorganic Chemicals, Organic Chemicals and Plastics Divisions.

l. Monsanto Chemicals of India Private Ltd.

An Indian corporation jointly owned by Monsanto Chemical Company (U.S.A.) and Monsanto Chemicals Limited (England). Its activities are the handling of sales within India of Monsanto products from the United States, England, Canada and Australia.

m. Monsanto Export Company

A Western Hemisphere trade corporation, which functions as seller of Monsanto products from domestic plants to all territories in the Western Hemisphere except the United States and Puerto Rico.

n. Monsanto Japan Limited

A Japanese company which provides assistance in connection with Monsanto's activities in Japan other than local manufacturing interests of Mitsubishi Monsanto Chemical Company.

o. Monsanto Mexicana S.A.

A Mexican corporation with a manufacturing plant located at Lecheria (near Mexico City), Mexico, for the production of products which can be manufactured economically and sold in Mexico. It manufactures products of the Inorganic Chemicals, Organic Chemicals and Plastics Division.

p. Monsanto of Brazil, Inc.

Inactive.

q. Monsanto Oil Limited

An oil prospecting company in Canada. This company is under the jurisdiction of the Hydrocarbons Division.

r. Monsanto Overseas S.A.

A Panama corporation operated by the Overseas Division. It sells Monsanto products abroad, licenses patents and know-how and holds investments in foreign countries.

s. Monsanto Research Corporation

A wholly owned subsidiary concerned with the conduct of specific scientific and technological research programs for the government. With headquarters at St. Louis, the company has laboratories at Dayton, Ohio, and Everett, Massachusetts, and operates Mound Laboratory at Miamisburg, Ohio, which Monsanto Chemical Company built for the Atomic Energy Commission.

t. Monsanto Research S.A.

A research laboratory established in Switzerland, staffed with European scientists, to undertake exploratory research of a fundamental nature.

u. Monsanto Venezuela, Inc.

An oil prospecting company in Venezuela. This company is under the jurisdiction of the Hydrocarbons Division.

v. Nitro Industrial Corporation

A wholly owned subsidiary engaged in the rental, development and sale of residential, commercial and industrial property in and around Nitro, West Virginia. This company is under the jurisdiction of the Organic Chemicals Division.

w. Societe Monsanto

A French corporation to manufacture in France products which can be produced economically there.

2. Associated Companies—50 per cent owned:

a. Fome-Cor Corporation

Jointly owned with St. Regis Paper Company to develop markets for foamed polystyrene. It is headquartered at Springfield, Massachusetts, and has manufacturing facilities at Addyston, Ohio.

b. Mitsubishi Monsanto Chemical Company

A Japanese corporation operating two manufacturing plants in Japan. It manufactures products of the Inorganic Chemicals, Organic Chemicals and Plastics Divisions.

c. Mobay Chemical Company

A Delaware corporation jointly owned with Farbenfabriken Bayer, A.G. of Germany for the development and manufacture of isocyanates and polyesters for sale and ultimate use in solid and rigid foams, solid rubberlike materials, surface coatings and adhesives.

d. Monsanto Iberica S.A.

A Spanish company, jointly owned with Aiscondel, S.A. of Spain, for the manufacture of products which can be produced economically in that country.

e. Plax Corporation

A Delaware corporation, jointly owned with Emhart Manufacturing Company of Hartford, Connecticut, for the manufacture of formed plastic bottles and containers and plastic film and sheeting.

f. Shawinigan Resins Corporation

A Massachusetts corporation jointly owned with Shawinigan Chemicals Limited (Montreal, Canada) for the manufacture of resins and resin emulsions.

3. Affiliated Companies—less than 50 per cent owned:

a. A/B Casco

A Swedish corporation with plants in Sweden for the manufacture of adhesives.

b. Etino-Quimica S.A.

A company organized in Spain for the manufacture of products which can be produced economically in that country. It manufactures products of the Inorganic Chemicals and Plastics Divisions.

c. Sicedison S.p.A.

An Italian corporation operating three manufacturing plants in Italy. It manufactures products of the Inorganic Chemicals, Organic Chemicals and Plastics Divisions.

IV. COMMITTEES

The Executive and Finance Committees are the principal, permanent committees set up by the Board of Directors but there are several others formed by the board, the Executive Committee or the President for special purposes. These are:

A. *Auditing Committee*, composed of non-officer members of the board, which studies and makes recommendations on auditing policies and practices and recommends yearly to the board on the choice of independent auditors.

B. *Bonus Committee*, composed of the Chairman of the Board and two members of the board (all of whom are ineligible to receive bonuses), which determines eligibility of recipients and amount of bonus, if any, to be paid.

C. *Budget Committee*, composed of several members of the Executive Committee and, as chairman, the President. It is appointed by the President and assists him in coordinating and preparing the over-all budget of the company, carrying out the budgetary control plan, setting of standards, studying procedures, analyzing results and such other budgetary matters as he may desire.

D. *Housing Committee*, appointed by the President, which is responsible for implementing company policy regarding purchases and sales of houses of employes, incident to transfers. It is composed of one member of the Executive Committee, the director of the Personnel & Administrative Services Department, and the director of the Treasury Department.

E. *Policy Committee for Government Affairs*, appointed by the President to recommend policy and courses of action in dealing with governmental and legislative matters. It consists of two members of the Executive Committee; the Corporate Secretary; the director, Civic Affairs; and the manager of the Washington Office.

F. *Project Performance Committee*, appointed by the President, consists of several members of the Executive Committee. In the case of capital projects involving expenditures of $250,000 or more, it is responsible for comparing actual performance with estimates set forth in appropriation requests. These comparisons are submitted in reports from the general managers, in conjunction with the Accounting Department.

G. *Retirement Plan Committee*, appointed by the Board of Directors, which administers the retirement plans for all employes, assures the adequacy of trust funds to meet these plans, examines all cases of total and permanent disability and rules on payments of salaries to ill and disabled employes. The committee consists of a member of the Executive Committee, the director of the Personnel & Administrative Services Department (as chairman), the Controller and two members drawn from a staff department and an operating division.

H. *Salary Committee*, appointed by the President, and consisting of three Executive Committee members and the director of the Personnel

& Administrative Services Department. It is responsible for studying salary policies and administering the company's Salary Plan.

I. *1960 Stock Option Committee*, composed of the Chairman of the Board and two other members of the board (all of whom are ineligible to receive stock options) which recommends to the Board of Directors the names of persons and the amount of options to be granted under the 1960 Stock Option Plan.

J. *Second Employes' Stock Plan Committee*, composed of a member of the Executive Committee, the Corporate Secretary, the Treasurer and two members of the Personnel & Administrative Services Department. It administers this special option-type program which was established for most salaried and hourly employes.

V. MEETINGS

A. Shareowners' Meeting

The annual meeting of shareowners is held on the fourth Thursday of March in each year, if not a legal holiday and, if a legal holiday, then on the next secular day following, at 10:00 a.m. At this meeting the shareowners elect by a plurality vote, by ballot, a Board of Directors, and transact such other business as may be properly brought before the meeting. The Chairman of the Board presides or, in his absence, the President.

B. Board of Directors

The Board of Directors meets regularly at 9:00 a.m. on the fourth Thursday of each month. Closing hour for receipt of communications to be presented to the board is 1:00 p.m. on the preceding Thursday.

General Managers' Meetings with the Board of Directors:

General managers of operating divisions meet individually with the Board of Directors annually for a review of operations, performance and programs.

C. Executive Committee

Meetings of the Executive Committee are held regularly at 10:00 a.m. each Monday and at such other times as set by the chairman. Closing hour for receipt of communications to be presented to the committee is 1:00 p.m. the preceding Wednesday.

1. Review Meetings with the Executive Committee:

Each general manager meets with the Executive Committee semi-annually for a review of his division's operations, performance, forward programs and personnel problems and plans. Similarly, a review meeting with the Executive Committee is scheduled annually for each staff department director.

Review meetings with the Executive Committee are not regularly scheduled for subsidiaries and associated companies, foreign or domestic, but are held only when there is a specific reason for them.

The formalized portion of divisional reviews is limited to the period 10:00 a.m. to lunchtime for operating divisions. Other reviews in their entirety are limited to the period 10:00 a.m. to lunchtime. Exception to this rule may be made only by the chairman of the Executive Committee.

2. Information Exchange Meetings with the Executive Committee:

Meetings for the exchange of information are scheduled by the Executive Committee as follows: with general managers, as a group, on the first Thursday of every month; with staff department directors, as a group, semi-annually. Substitutes are permitted only on approval of the chairman of the Executive Committee.

Agenda for these meetings usually include brief reports by general managers or staff department directors who have new and significant items to bring before the group. Additional items may be suggested by any individual scheduled to attend the meeting. The Executive Committee reports on general conditions of the company and any other items it considers pertinent.

A luncheon meeting, attended by Executive Committee members, general managers, assistant general managers, staff department directors, Corporate Planning and Evaluation members, Civic Affairs director, the director of the Chocolate Bayou Project, and the Assistant to the President is held each Wednesday for informal discussion of company affairs, or to hear a speaker on a subject of general interest. Substitutes are permitted only for general managers and staff department directors. However, no substitute is allowed for a general manager when at least one of his assistant general managers is able to attend; only an assistant staff department director may substitute for his staff department director, except that only an associate staff department director may substitute for the director of the Marketing Services Department or the Patent Department.

D. Finance Committee

The Finance Committee meets on the call of the chairman. Normally, a meeting is called for 8:30 a.m. on the fourth Thursday of each month, preceding the board meeting. Closing hour for receipt of communications to be presented to the committee is 1:00 p.m. on the preceding Thursday.

D—Position Guides

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SECTION D

POSITION GUIDES

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I. GENERAL DUTIES OF AN EXECUTIVE

The following apply to any executive within the limits of his authority and consistent with his relationships. He shall:

A. Support company policies and procedures once they have been decided and see that his subordinates do likewise.

B. Delegate authority and responsibility in accordance with the charts, position guides and this *Management Guide,* follow procedures therein and recommend changes in them to the Assistant to the President.

C. Strive constantly to reduce costs and keep up to date on all possible ways and means of so doing.

D. Endeavor to perfect himself in the knowledge of human relations and to apply that knowledge at all points.

E. Train successors in his group, periodically interview members of his organization, rate them and report thereon to his superiors, constantly endeavoring to build up and strengthen his unit of the organization, personnel-wise.

F. Approve expenditures in his division, department or section within the budget laid down by management.

G. Keep his superior informed on any matters for which the superior is held responsible and of which he should know.

H. Take on additional duties as required by his superiors even though not specified in this *Management Guide.*

I. Constantly analyze and appraise results in his unit and develop plans for improvement.

J. Show a broad interest in the progress of the company beyond his specific interests.

K. Improve himself.

II. EXECUTIVE COMMITTEE MEMBERS

In addition to the general duties of members of the Executive Committee (page C-6), the following duties are specified:

A. Finance and Law:

The Executive Committee member whose sphere of interest is finance and law is responsible for coordinating all financial, legal and legislative matters of the company, maintaining for financial matters close contact with the Finance Committee of which he is a member. The following report to him:

Director of the Law Department

Director of the Treasury Department

Director of the Accounting Department

Director, Civic Affairs

He is responsible for:

1. Forecasting continually, with the aid of the Accounting and Treasury Departments, the company's and its subsidiaries' needs for new funds for two years ahead.

2. Seeing that the divisions and departments and all other parts of management are advised on legal phases of their activities, present or proposed, and are informed on the effect on their business of new laws, local, state or federal.

3. Coordinating company activities dealing with legislative subjects.

B. MANUFACTURING AND DIVISION ENGINEERING:

The Executive Committee member whose sphere of interest is manufacturing and division engineering is responsible for coordinating all phases of manufacture of the company's products from raw materials to finished products delivered to the customers' plants and for coordinating the engineering activities of the manufacturing divisions except engineering of a developmental nature. The director of the Purchasing & Traffic Department reports to him.

He is responsible for:

1. Evaluating over-all manufacturing and engineering programs of the divisions to determine whether they are adequate to meet prescribed goals.

2. Establishing product performance criteria for cost, quality and quantity; reviewing and evaluating such performances; periodically resetting standards when necessary.

3. Working with the Vice President of research, development, patents and basic engineering toward coordinating over-all engineering for the company.

4. In a broad way, representing the engineering function in the upper councils of the company.

5. Implementing the company's investment policy for plant sites and deciding which plants shall operate under it.

6. Determining basic traffic and purchasing policies, particularly with regard to inventories and prices, and supervising the activities of the Purchasing and Traffic Department.

C. MARKETING:

The Executive Committee member whose sphere of interest is marketing is responsible for coordinating all marketing activities within the company. The director of the Marketing Services Department reports to him.

He is responsible for:

1. Evaluating the sales programs and budgets of the divisions and determining whether they are adequate to meet short-term sales goals and long-term sales objectives.

2. Establishing criteria of performance by which the effectiveness of marketing operations can be judged and periodically reviewing performance against sales budgets, sales programs, competitive

standings, share of market and other established criteria of sales performance.

3. Capitalizing on Monsanto's strength in know-how, locations and sales position by guiding the divisions' sales programs toward more effective product integration and greater interdivisional cooperation on sales.

4. Maintaining surveillance over company-wide relations with principal customers, prospective customers, suppliers (in cooperation with the Vice President of manufacturing and division engineering) and all other major firms in the chemical and allied industries.

5. Determining basic advertising policies and reviewing and approving the advertising and sales promotional activities needed to maintain company position and sales volume and to create new profitable business. Establishing criteria to evaluate the advertising and sales promotion activities conducted by the divisions.

6. Assuring that adequate information on the company's markets and marketing is available for management decisions, maintaining a marketing research service on products and practices of interest to several divisions and evaluating marketing research conducted by the divisions.

7. Coordinating the activities and maximizing the efficiency of the company's sales offices.

8. Making optimum use of distributors, agents and other channels of distribution by formulating a unified policy with respect to these factors and by encouraging the divisions to use common distributors wherever practical.

9. Providing a design service to assure attractive appearance of the company's packaging and printed material, buildings and interiors and to suggest new forms and applications which may enhance the sale of products.

10. Appointing and supervising, where appropriate, regional staff marketing executives whose activities augment and assist divisional programs in their assigned areas.

11. Monitoring economic trends and interpreting their impact on the company's sales and policies.

D. Organization and Personnel

The Executive Committee member whose principal sphere of interest is organization and personnel is responsible for coordinating all phases of personnel relations (except labor relations) and administrative services. The following report to him:

Director of the Medical Department

Director of the Personnel & Administrative Services Department

He is responsible for:

1. Determining basic policies of the Medical Department and supervising its activities.

2. Determining basic policies of personnel (except labor relations) including functions of office management, and supervising the activities of the Personnel & Administrative Services Department.

E. Research, Development, Patents and Basic Engineering

The Executive Committee member whose sphere of interest is research, development, patents and basic engineering is responsible for coordinating the whole technical development of the company and for seeing that such development follows sound and integrated over-all plans and policies. The director of the Patent Department reports to him.

He is responsible for:

1. Evaluating the research and development programs and budgets of the divisions and determining whether they are adequate to meet the long-range goals for the company's technological development.

2. Integrating such research, development and basic engineering plans of the divisions into a logical entity.

3. Following the progress of projects turned over by the Research & Engineering Division to a manufacturing division and reviewing their status with the Executive Committee at least annually, until they are dropped or reach commercialization.

4. Measuring the accomplishments of the divisions in his sphere by developing criteria of efficiency and effectiveness. To this end, maintaining close contacts with cognate forces in all other major chemical companies.

5. Evaluating the activities, programs and budgets for the company's engineering research programs and also for the Patent Department.

6. Approving expenditures for educational purposes not otherwise provided for.

7. In areas where there is an overlapping of interest between divisional engineering and developmental engineering, resolving these differences, case by case, with the Vice President of manufacturing and division engineering.

8. Consulting on all matters concerning the sale of technical know-how and services, and the licensing of patents. He has authority to approve the sale of technical know-how and services, and the licensing of patents, for any transaction which is estimated will result in payments to Monsanto of not to exceed either an average of $150,000 per year or a total of $500,000 over a five-year period.

9. Coordinating all phases of the Research Center administration through the general manager of the Research & Engineering Division.

F. New Commercial Activities

The Executive Committee member whose sphere of interest is new commercial activities is responsible for studying and implementing action leading to new areas of business which are related to the product lines of the parent company, its associated companies and its subsidiaries.

He is responsible for:

1. Investigation and study of acquisitions.

2. Conducting of negotiations for acquisitions which have been approved by the Executive Committee.

3. Labor relations of the company.

4. Chocolate Bayou during its formative stages.

III. VICE PRESIDENT OF PLANNING AND EVALUATION

The Vice President of planning and evaluation is responsible for coordinating and/or directing all activities of the company in areas of long-range planning and evaluation. He reports to the President.

The Vice President of Planning and Evaluation is Chairman of the Corporate Planning and Evaluation Staff and in this capacity coordinates and supervises the activities of this staff in appraising appropriation requests and forecasts. He develops and coordinates long-range planning activities of the company and develops and initiates new effective planning methods.

IV. VICE PRESIDENT-PATENT DEPARTMENT

The Vice President-Patent Department is responsible for:

A. Supervising and coordinating the company's interest by serving as a board member of domestic corporations in which Monsanto is a stockholder, at the request of the President.

B. Assisting all units of the company, upon request, in any negotiations concerning technical matters. In this activity he reports to the Vice President of research, development, patents and basic engineering.

C. Serving as director of the Patent Department.

V. GENERAL MANAGER

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A. Positional Activities

The general manager of a division is appointed by the President after approval by the Board of Directors and his election by it as Vice President. He is responsible to the President. Responsible to him in the manufacturing divisions are the directors of manufacturing, marketing, research and engineering, and personnel and, in the case of the Hydrocarbons Division, of production and exploration. In the non-manufacturing divisions, a director for each main section is responsible to the general manager. A general manager may delegate any or all of his responsibilities to assistant general managers. The general manager shall:

1. Operate his division with as high a percentage return on operating investment as possible on a long-range basis.

2. Approve all divisional quotas and budgets and expenditures.

3. Maintain constant long-range planning programs to improve present products and to develop new ones and new processes.

4. Prepare and supply to the Budget Committee all necessary data required for budgetary control.

5. Have authority to make capital appropriations for new projects, replacements, retirement of assets by obsolescence, overruns or changes in scope at maximums as follows:

	Per Project	Monthly Average over Calendar Year
a. Agricultural Chemicals Division	$100,000	$125,000
b. Hydrocarbons Division	100,000	300,000
c. Inorganic Chemicals Division	100,000	275,000
d. Organic Chemicals Division	100,000	375,000
e. Plastics Division	100,000	300,000
f. Research & Engineering Division	50,000	50,000
g. Overseas Division:		
(1) Funds from MCC* or MOSA*	100,000	100,000
(2) Funds from earnings of foreign companies except MCL*, MCAL*, or MOCAN*	100,000	100,000

However, general managers' authority to make capital appropriations does not include overruns, underruns or changes in scope for projects originally approved at a level higher than the general manager when the change is 5 per cent or greater of the original project. Supplemental requests for such changes are to be submitted to the Executive Committee. Such supplemental requests, when approved, will not be charged against the above allowances for general managers' approvals. All other approvals of overruns, underruns or changes in scope made by general managers will be charged against their allowance (see Section II, Page E-1).

Whenever it appears that an overrun or underrun or change in scope of a project approved by a general manager, or by those delegated by him to approve authorities, will require a change in expenditure of 5 per cent or more of the original project, the general manager will have prepared and approve Form A-236, *Authority for Expenditure,* to cover the change. A copy of the approved authority is to

**MCC—Monsanto Chemical Company*
MOSA—Monsanto Overseas S.A.
MCL—Monsanto Chemicals Limited
MCAL—Monsanto Chemicals (Australia) Limited
MOCAN—Monsanto Canada Limited

be forwarded to the controller's office. Such authorities will be charged against the general manager's allowance for approving capital expenditures.

In addition to the above, the general manager of the Hydrocarbons Division shall have all the authority which he has delegated to the director of production and exploration as set forth in the description of the latter's duties and authorities (see page D-32).

All requests beyond a general manager's authority shall be submitted to the Executive Committee for approval. The general manager may delegate all or part of his authority at his discretion.

6. Have authority to sell tangible assets, except real estate, at a maximum per item, and in a maximum amount per month averaged over the calendar year, in accordance with the schedule in paragraph five above; but not technical know-how or services or trademarks, trade names, patents or other intangible assets without appropriate approval, nor items wherein the buyer requires specific board authority for the sale of the said items.

7. Have authority, with power of delegation, to sign sales contracts covering products of his division for such prices and terms of payment as he may fix and under conditions and forms approved by the Law Department. Export prices will be set through negotiation with the Overseas Division.

8. Submit to the Project Performance Committee a report covering total installation costs and results of operation for each capital project involving expenditure of $250,000 or more and on which a return was promised. Such reports are to cover the calendar year following six months after start-up of the project.

9. Prescribe such reports from within his division as he deems necessary and report by the 15th of each month to the President and others in conformance with "Distribution of Reports" outlined on page E-16.

10. Direct the efforts of the employes in his division, with continuous attention to human relations. He shall be responsible for all phases of personnel administration as related to such employes within the scope of established company policies and shall coordinate all these activities, including labor relations, with the Personnel & Administrative Services Department.

11. Prepare and submit a key personnel report to the President by November 1 of each year to carry out proper planning for replacements of key personnel and to assist in other aspects of organization planning.

12. Follow and enforce the procedures outlined under "Interdivision Sales Commissions," page E-20, "Plant Sites—Joint Occupancy," page E-25, and "Transfer of Products Between Divisions," page

E-31. Disagreements on joint occupancy of plant sites shall be brought to the attention of the Vice President of manufacturing and division engineering; on interdivision sales commissions and on transfer of products between divisions, to the assistant controller responsible for budgets.

13. Provide the Overseas Division, after consultation with and request from the Overseas Division, with Class C (preliminary) technical information for transmittal to foreign subsidiaries and associates, and Class B (full) technical information after approval by the Vice President of research, development, patents and basic engineering and the Vice President of marketing. In the event the general manager of the affected domestic division does not agree with the decision of the Overseas Division and the Vice Presidents mentioned above, he may request review by the Executive Committee.

14. Provide the Overseas Division, after consultation with and request from the Overseas Division, with the necessary information to implement the sale and use of Monsanto technology and services abroad. The Overseas Division must obtain the approval of the Vice President of research, development, patents and basic engineering and the Vice President of marketing for the principal points of agreement and final contracts for sale of such technology and services. Such principals and contracts must be reviewed by the Law Department, the Patent Department and, when taxes are a consideration, the Treasury Department before final action is taken. In the event the general manager of the affected domestic division does not agree with the decision of the Overseas Division and the Vice Presidents mentioned above, he may request review by the Executive Committee.

15. Negotiate with the director of the Patent Department purchases abroad of technical know-how and services as well as agreements concerning exchange of technical information or experimental samples, after consultation with the Overseas Division and while keeping the Overseas Division completely informed. The approval of the Vice President of research, development, patents and basic engineering must be obtained before final action.

16. Make a report to the Executive Committee of his division's activities and plans at intervals as requested by the President.

17. From time to time, take up with the appropriate member of the Executive Committee for approval items not specifically provided for which come within the sphere of influence of such Executive Committee member, and which are not of sufficient importance to take up with the entire Executive Committee or the Board of Directors.

B. Degrees of Authority, Responsibility, Accountability

In order further to clarify the authority of general managers, five degrees of authority have been defined and are set forth here, together with groupings of functions for which such authority and responsibility have been assigned.

The five degrees of authority are defined as follows:

Degree 1—Complete Independent Delegation of Authority

Action or decision is initiated and executed independently by the general manager; general manager's reporting and accountability is therefore periodic and routine in nature.

Degree 2—Coordinated Independent Delegation of Authority

Action or decision is taken only after obtaining prior advice and counsel from the appropriate Executive Committee member or other appropriate company personnel (such as staff department directors, head of Washington Office, etc.). However, the divisional decision is not determined by such counsel and advice; authority, responsibility and accountability therefore rests entirely with the general manager.

Degree 3—Approval Prior to Decision for Action

The general manager obtains approval and authority from the Executive Committee, appropriate Executive Committee member or other appropriate company personnel before proceeding; authority, responsibility and accountability is thereby divided and shared.

Degree 4—No Authority, Responsibility or Accountability of General Manager

Initiation of action and complete decision is with the Executive Committee, appropriate Executive Committee member or other appropriate company personnel but decision is made only after consultation with the general manager or other appropriate divisional personnel.

Degree 5—No Authority, Responsibility or Accountability of General Manager

Complete decision is with the Executive Committee, appropriate Executive Committee member or other appropriate company personnel. The general manager shall refer decisions on items in this category to the appropriate company personnel and then may be expected in some instances to carry out the decision and be accountable for the follow-through.

Nothing stated herein limits the responsibility of the staff department directors to take the initiative in bringing to the attention of the divisions those trends, developments or incipient problems that might come to the directors' attention.

In all cases the degree of authority delegated should be construed to be within the framework of existing policy, either written or unwritten.

The items for which degrees of authority have been established are grouped by functions in order to facilitate the use of this document by the various central and divisional departments. The few items which are applicable to all functions are listed separately rather than restated under each department or function heading. All items listed refer only to divisional operations.

	General Manager Degree of Authority, Responsibility, Accountability
a. APPLICABLE TO ALL FUNCTIONS	
1—Expenses (within approved budgets)	1
2—Manpower count and assignment (within approved budgets)	1
3—Taxes—Federal income taxes	3
—Local property taxes	3
4—Central staff personnel assigned to a division	
—Recommendations for salary increase or bonus	3
—Approval of salary increase or bonus for top man	3
—Approval of salary increase or bonus below top man	4
b. GENERAL ADMINISTRATION	
1—Organization planning	2
2—Organization structure changes—Minor	1
—Major (requires approval of the President)	3
3—Creation of new titles	3
4—Promotions	
—Assistant General Manager	3
—Through level of department heads (except Assistant General Manager)	2
—All others	1
5—Maintain effective working relationships with other divisions, departments and top company management	1
6—Maintain adequate communications and accountability to the President and members of his office	1
7—Divisional employe communications	1
c. ACCOUNTING	
1—Budgeting (within corporate budget policies)	2
2—Corporation accounting	5
3—Plant and cost accounting—application and scope	4
4—Plant and cost accounting—practice and procedure	4
5—Interdivision transfers of goods, and investment, within established policy	1
—Outside established policy	3
6—Inventory evaluation and devaluation	
—Minor (up to $10,000)	1
—Major (over $10,000)	4
d. ADVERTISING	
1—Corporate—Involving a division	3
—Other	5

ADVERTISING (cont'd)

2—Product 2
3—Outdoor plant signs 3
4—Selection of advertising agencies 3

e. DOMESTIC ASSOCIATES AND AFFILIATES

1—Corporate representation 3
2—Operational policy (where involved) 3
3—Development responsibility (where involved) 2

f. ENGINEERING

1—Capital budget—Major 3
2—Capital planning and appropriation forecasts—Major 3
3—Appropriation requests—Major 3
4—Capital retirement requests 3
5—Standardization 2
6—Process and technical decisions 2
7—Engineering-research program: scope, direction and priority 2
8—Contracts—construction, engineering-research, engineering-development: scope and selection 2
9—Spare parts inventory 1
10—Know-how exchange, purchase or sale 3

g. LAW

1—Legislation 4
2—Litigation (excluding patent litigation)
—Initiation 3
—Prosecution and Defense 5
3—Negotiation and drafting of agreements (Technical Contracts via Patent and Law Departments) 3
4—Antitrust 4
5—Corporate matters 5
6—Government contracts concerning legal matters 3
7—Legal and litigation matters and problems not otherwise listed 3

h. MANUFACTURING

1—Cost of goods sold budget 2
2—Purchases 3
3—Inventory management—raw materials, in process, finished goods 1

General Manager
Degree of Authority,
Responsibility, Accountability

MANUFACTURING (cont'd)

4—Inventory management—where more than one division is involved	2
5—Safety	2
6—Civic relations in divisional plant, laboratory, office locations	1
7—Public relations—Broad corporate	5
—Local limited situations	2
8—Traffic	3
9—Utilities management (power contracts, etc.)	1
10—Plant location at present plant sites	2
11—New plant sites	3

i. MARKETING

1—Sales budget	2
2—Sales volume and sales plan	1
3—Pricing, including trade practices	2
4—Product advertising and promotion	2
5—Product and field sales management	1
6—Reciprocity situations	3
7—Major sales contracts—No reciprocity involved	2
—Where reciprocity is involved	3
8—Sales and market development management, manpower count and assignment, project selection	1
9—Marketing research	2
10—Sales incentives, compensation plans, etc.	2
11—Finished goods inventory management	1
12—Packaging and containers	2
13—Labeling	3

j. MEDICAL

1—Establish health standards and direct health maintenance of employes	3
2—Obtain, assemble and interpret toxicology data on products and disseminate such data	3
3—Select and supervise medical and industrial hygiene personnel	3
4—Maintain healthful working environment	3
5—Air and stream pollution control	3
6—Maintain relationships with appropriate governmental, research, public and private agencies in fields of industrial health, toxicology and pollution control	3

k. OVERSEAS (Applicable to all divisions except Overseas Division)

1—Sales	4
2—Investment	4
3—Contractual relations with foreign associates and affiliates	4-5
4—Sale of technology and patents	4
5—Purchase of know-how and patents	3

l. PATENT

1—Applications and interferences (via Patent Dept.)	3
2—Licensing—domestic and foreign	3*
3—Technology exchanges	3
4—Trademarks	3*
5—Technical contracts (via Patent and Law Depts.)	3*
6—Litigation of patents, trademarks, trade names and copyrights	3*

**Except that foreign transactions are subject to provisions of paragraphs 5, p. C-10; paragraphs 13, 14 and 15, p. D-8.*

m. PERSONNEL

1—Salary administration—Within Salary Plan (except general increases)—Part I	1
—Within Salary Plan—Part II	1
2—Labor relations—Clearly within broad corporate policy	1
—Outside broad corporate policy	3
—Union contract negotiations	2
3—Wage administration	1
—Wage increases	3
4—Bonus and stock options	4
5—Recruitment—Technical	2
—Non-technical	1
6—Management development and training	2

n. PUBLIC RELATIONS

1—Community relations—With public in respective local areas (except St. Louis)	1
—With local business (except St. Louis)	2
—With public and local business in St. Louis	3
2—Corporate relations	5
3—Product publicity—Selection of products and gathering of information	1
—Releasability of publicity outside Monsanto	3
—Product publicity personnel	3

	General Manager Degree of Authority, Responsibility, Accountability
PUBLIC RELATIONS (cont'd)	
4—Press, radio-TV relations—Non-local	3
—Local	2
5—Financial communications	5
6—Government relations—Federal (excluding Legislation)	3
—Community and State	1
7—Shareowner relations	5
8—Corporate publications (*Monsanto Magazine*, etc.)	5
9—Photography (stills, motion pictures, film distribution)	5
10—Charitable contributions	3
o. PURCHASING AND TRAFFIC	
1—Major contracts involving legal and policy matters	3
2—Selection of suppliers	3
3—Packaging and containers (design only)	2
4—Labeling	3
5—Freight, rail, water transportation, etc.	3
6—Reciprocity situations	3
p. RESEARCH AND DEVELOPMENT	
1—Research planning	2
2—Specific project selection	2
3—Outside research or development	3
4—Grants-In-Aid	2
5—Patent support and prosecution, budget and manpower	3
—Coordination and relations with Central Patent Department	3
6—Know-how exchange, purchase, sale	3
7—Central Research liaison	2
8—Foreign research liaison (European technical representative thru R&E Division)	2
q. TREASURY	
1—Credit, including credit to foreign and domestic subsidiaries, associated and affiliated companies, within reasonable limits and company policy	3
2—Capital procurement	5
3—Bank relations and control of bank balances (*)	5
4—Insurance (**)	5
5—Federal social security, withholding, excise and miscellaneous taxes	5
6—State income, franchise, intangible and miscellaneous taxes	5
7—State unemployment compensation	5
8—Investment of company working capital	5
9—Employes' Stock Purchase Plan	5
10—Second Employes' Stock Plan	5
*—For Hydrocarbons Division	3
**—Except for insurance applicable to a particular division	4

VI. STAFF DEPARTMENT DIRECTOR

A. Positional Activities

The directors of staff departments are appointed by the President after consultation with the appropriate member of the Executive Committee. Each is responsible to a member of the Executive Committee and is on his staff.

In general, a staff department director shall:

1. Prepare over-all plans and company policies in his field of activity for approval and adoption.

2. Advise and assist all elements of the company in the field of his department without authority over any but the official members of his department.

3. Prepare and supply to the Budget Committee all necessary data for budgetary control.

4. Undertake such special assignments as may be given to him by the Board of Directors, the Executive or Finance Committees or the President.

5. Approve expenditures in his department within the budget assigned.

6. Report on the activities of his department to the President and others in conformance with "Distribution of Reports" outlined on page E-15.

7. Direct the efforts of employes in his department with continuous attention to human relations. He shall be responsible for all phases of personnel relations as related to such employes within the scope of established company personnel policies and shall coordinate all these activities with the Personnel & Administrative Services Department.

8. Prepare and submit a key personnel report to the President by November 1 of each year to carry out proper planning for replacements of key personnel and to assist in other aspects of organization planning.

9. Make annual reports on the activities of his department to the Executive Committee at times set by that committee.

B. Specific Duties

1. Accounting Department

The director of the Accounting Department is also the Controller. He is elected by the Board of Directors and shall be the principal officer in charge of the accounts of the company. He is responsible to the Vice President of finance and law. Appropriate Accounting Department personnel, wherever located, are responsible to the department director but those at plant locations must obey the rules and regulations of the local management.

The director of the Accounting Department shall:

a. Keep full and accurate accounts of receipts and disbursements in books belonging to the company.

b. Render to the President and the Board of Directors, whenever they require it, an account of all his transactions as Controller and of the financial condition of the company.

c. If required by the board, give the company a bond in such sum and with such surety or sureties as shall be satisfactory to the board for the faithful performance of the duties of his office.

d. Establish, with the approval of the Vice President of finance and law and the Finance Committee, all accounting policies, procedures and practices and supervise them.

e. Prepare and interpret all financial statements and reports, pointing out inefficiencies where developed.

f. Assist the Law Department with the preparation of registration statements for the Securities and Exchange Commission and prepare annual and monthly reports to the SEC.

g. Prepare income tax returns in conjunction with the Treasury Department.

h. Approve financial data in statements to be given out for publication.

i. Maintain continuous audit of accounts and records of the company wherever located and carry out a complete physical inventory once a year.

j. Make periodic checks of general cash funds and various payroll and cash funds and approve cash disbursements.

k. Cooperate with division management in preparation of estimates for capital expenditures, maintain adequate records of authorized estimated expenditures, and prepare semi-annual reports comparing actual new earnings with new earnings originally projected on projects costing over $250,000.

l. Prepare and disburse payrolls.

m. Invoice shipments to customers, except from some of the district offices by agreement with the marketing departments of the divisions.

n. Cooperate with the division general managers, staff department directors and Budget Committee in carrying out the budgetary control plan.

o. Carry out all accounting relations with subsidiaries and associated companies.

p. Furnish such reports to the Board of Directors and all other units of the company as they may from time to time require.

q. Establish and maintain effective control systems for capital budgets, cash requirements forecasts, and for evaluating performance of the company and its divisions.

r. Maintain and promote favorable relations among shareowners and groups who influence the purchase of Monsanto stock, such as security analysts, financial editors, etc.

2. Law Department—Corporate Secretary

The director of the Law Department is also Secretary of the corporation, elected by the Board of Directors. He is responsible for all law and legislative activities, except those dealing with patents and trademarks. He reports to the Vice President of finance and law, and members of the law staff at all locations report to him.

The director of the Law Department shall:

a. Participate in contract negotiations with third parties.

b. Handle all legal and legislative matters, including:

(1) All court cases and proceedings before governmental regulatory and quasi-judicial agencies, except the U. S. Patent Office;

(2) Legal matters connected with the acquisition of new businesses and companies; where indicated, with businesses and affairs of subsidiaries and associated companies which do not have lawyers on their staffs or on retainer, and with the formation and dissolution of subsidiaries and associated companies;

(3) Charter amendments, qualification to do business, issuance and retirement of securities and corporate debt, supervision of work of transfer agent and registrar for all classes of stock and handling of transactions with Securities and Exchange Commission and national securities exchanges;

(4) All functions of the Secretary of the corporation including preparation of notices, proxy statements, prospectuses and resolutions; attendance at and keeping minutes of directors', shareholders' and, where indicated, standing committees' meetings; corresponding with shareowners on corporate matters, other than financial; and maintaining safe custody of all basic and important corporate documents and agreements;

(5) Employment and supervision of outside counsel, except for patent and trademark work.

c. Counsel and advise officers of the company, committees and divisions and staff departments on all legal and legislative matters including:

(1) Contracts and agreements,
(2) Compliance with governmental laws and regulations,
(3) Forms of licensing arrangements,
(4) Tax questions and returns,
(5) Antitrust and fair trade practices,
(6) Third-party liability claims,
(7) Labor law,
(8) Labeling requirements.

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d. Review and pass upon:

(1) Contracts, purchase orders, leases and agreements except (a) sales contracts entered into on approved forms and (b) purchase contracts and orders involving amounts less than limits established by the Law Department;

(2) Sales, purchase and acknowledgment forms.

e. Be responsible for coordination of all company real estate activity, except with respect to the production and marketing properties of the Hydrocarbons Division, and shall:

(1) Establish procedures so the Law Department is informed of all proposed real estate transactions and is kept informed, and make available experience and know-how from previous transactions;

(2) Keep current a central real estate record file;

(3) Supervise all company relationships with real estate agents;

(4) Coordinate pertinent political contacts at each property location.

NOTE: Nothing in the assignment of real estate responsibility to the director of the Law Department shall relieve the divisions of responsibility for initiating and going forward with property matters in connection with division operations; nor is the director of the Treasury Department relieved of any responsibility for matters dealing with property taxes and property insurance except that the Law Department will assist the Treasury Department if counseling, court, legislative or administrative proceedings are necessary.

3. Marketing Services Department

The director of the Marketing Services Department is responsible to the Vice President of marketing. The functions of the department fall into four categories: advertising, marketing research, industrial design and marketing administration, each headed by a manager responsible to the director of the department. The divisional personnel in these functions are responsible to their respective directors of marketing.

The director of the Marketing Services Department shall, with respect to:

a. Advertising

(1) Coordinate all advertising activities of the company and have complete responsibility for corporate advertising.

(2) Assist, advise and counsel divisional advertising departments where necessary or desirable.

(3) Prepare annual over-all advertising budgets with the assistance of divisional directors of marketing and divisional advertising managers.

(4) Evaluate all advertising programs, advertising agencies and personnel.

b. Marketing Research

(1) Coordinate all market and marketing research in the company, assisting and counseling divisional marketing research departments where necessary or desirable.

(2) Conduct research into markets and marketing methods of interest to several divisions or to the company as a whole.

(3) Collect and analyze the short- and long-range marketing plans of the company for the Vice President of marketing.

(4) Assist the Vice President of marketing in establishing standards and controls to enable him to keep abreast of the company's over-all sales performance.

(5) Report to interested parties the possible impact of economic trends on Monsanto's sales and policies.

(6) Evaluate the effectiveness of the company's corporate advertising and assist and advise divisional advertising personnel in making similar evaluations of their advertising.

(7) Implement company-wide programs and meetings to improve communications, promote interdivisional cooperation and improved individual and group performance in marketing.

(8) Keep informed of the kinds and quality of services available from outside agencies, public and private.

(9) Help introduce to the company such new marketing research techniques as may prove applicable and effective.

(10) Evaluate all marketing research programs and personnel.

c. Industrial Design

(1) Design and produce at the request of the divisions or staff departments such advertising and promotion materials as literature, direct mail, displays, signs and exhibits.

(2) Advise the divisions and the Purchasing & Traffic Department in all design and appearance aspects of packaging.

(3) Be responsible for the design aspects of all uses of Monsanto's trademarks.

(4) At the request of the departments and divisions, advise on the design of buildings and interiors.

(5) Develop new forms and design new applications of the company's products based on their physical properties and appearance (rather than their chemistry).

d. Marketing Administration

(1) Coordinate the non-selling operating procedures of all sales offices to maximize efficiency, reduce cost and standardize clerical procedures within and between the operating divisions.

(2) Study and recommend the location of new sales offices and facilities and initiate 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.

(3) Coordinate the clerical staffing of all sales offices, establish requirements based upon workload studies, and implement Monsanto's salary plan for clerical personnel based upon the standards established for each locale.

(4) Develop and implement, in conjunction with divisional marketing management, a sound distribution cost program.

(5) Develop and coordinate, in cooperation with the divisions, an over-all company program in the effective use of distributors as a marketing channel for Monsanto products.

(6) Keep marketing management advised on new developments in the use of distributors as a marketing channel for chemicals and plastics, and maintain information on distributors and agents used or available to the divisions.

4. Medical Department

The director of the Medical Department has general charge of all medical activities of the company and reports to the Vice President of organization and personnel. He approves choice of medical officers at divisional locations but they are responsible to divisional management.

The director of the Medical Department shall:

a. Standardize and carry out medical practices throughout the company and keep them up to date.

b. Obtain and disseminate toxicological data on the company's products and have charge of all outside work in this field.

c. Clear in advance any material to be published on toxicological phases of Monsanto's products.

d. Follow legislation on medical matters in cooperation with the Vice President of finance and law and/or the Law Department.

e. Make regular industrial hygiene inspections of the various plants and submit reports to divisional and plant management.

f. Coordinate the air and stream pollution aspects of waste disposal activities.

5. Patent Department

The director of the Patent Department is responsible for all patent and trademark activities. He reports to the Vice President of research, development, patents and basic engineering, and personnel of the patent staff at all locations report to him.

The director of the Patent Department shall:

a. Prepare, prosecute and obtain all patents, trademark and copyright registrations.

b. Carry out all litigation involving patents, trademarks, trade names and copyrights.

c. Prepare all contracts and licenses pertaining to rights under patent, trademarks and copyrights and technical information, whether such rights are being acquired or conveyed. Non-technical aspects of such contracts and licenses shall be coordinated with the appropriate staff departments.

d. Approve any technical information prior to its being published or given out.

6. Personnel & Administrative Services Department

The director of the Personnel & Administrative Services Department is responsible for personnel relations and office management activities. He reports to the Vice President of organization and personnel.

a. The director of Personnel & Administrative Services has personal responsibility for:

(1) The development of Monsanto's human resources especially in the management area through the establishment of optimum educational and developmental activities, working with executive and divisional management and periodically reviewing programs undertaken.

(2) Long-range plans in the field of technical and other professional personnel* recruiting, selection, development and administration, working closely with the divisions and the Vice President of research, development, patents and basic engineering, and in the field of marketing personnel with the Vice President of marketing.

(3) The approval of all new personnel policies and changes in existing ones.

(4) The coordination and evaluation of all personnel programs throughout the company.

(5) The following specific programs: interdivisional residential development courses and outside management courses; the summer technical personnel program; academic and industrial leave programs; the Key Scientist and Technologist Advancement Plan. (Approval of participants in the leave programs and Advancement Plan rests with the Vice President of research, development, patents and basic engineering.)

b. He serves as chairman of the Retirement Plan Committee and the Salary Committee, and as a member of the Fellowship and Scholarship Committee, the Housing Committee and the John and Olga Queeny Educational Foundation.

c. He is, through the assistant director of Personnel & Administrative Services, responsible for direction of corporate personnel relations activities and shall:

(1) Formulate, revise and provide uniform interpretation of all personnel policies and practices.

(2) Assist the divisions and staff departments by providing advice, counsel and guidance in all areas ot personnel management; assist in the selection, placement and development of staff employes doing personnel work wherever utilized.

(3) Coordinate personnel relations activities with all staff departments.

(4) Administer company-wide the pension and group insurance plans and programs, the salary plan, service awards, and other matters affecting employe compensation, benefits or practices.

**Where used in this Management Guide, "technical personnel" is defined as persons with college degrees who majored in chemistry, physics, mathematics, biology, bacteriology, geology, entomology, related sciences and engineering (chemical, mechanical, civil, electrical, petroleum, etc.) related to the chemical and petroleum industries, in whatever capacity utilized. All other persons are considered non-technical.*

(5) Formulate and interpret labor relations policy and practices, coordinate action, and advise management throughout the company; in addition, assist divisions and locations in planning, coordinating and implementing labor relations training and development.

(6) Coordinate college recruitment of technical and other professional personnel throughout the company and, at those colleges and universities agreed upon with the divisions, carry out screening interviews and send likely candidates to divisional centers for final decision.

(7) Coordinate and evaluate programs of personnel selection, orientation and development for both salaried and hourly employes throughout the company; study and develop new techniques, catalyze their introduction and furnish continuing advice and counsel to all locations on these activities.

(8) Formulate safety policy and practices and establish safety standards, coordinating these matters throughout the company; furnish advice and counsel to all locations on safety and fire protection matters; administer company-wide safety programs.

d. He is, through the General Offices manager, responsible for direction of office management activities and shall:

(1) Provide office services and building and grounds maintenance for the Creve Coeur site.

(2) Furnish staff assistance to other company offices on office management matters.

(3) Conduct or coordinate methods and procedures studies on a company-wide basis to effect improvements and cost reductions in clerical activities.

(4) Plan and coordinate the company's forms control, records management, work simplification and work measurement programs.

(5) Plan and supervise the operation of the company-wide communications systems, including telecommunications and leased long-distance telephone circuits.

(6) Recruit all clerical, stenographic and other non-exempt personnel for the General Offices and Research Center. Administer certain compensation and benefit programs for this group, coordinate employe appraisals, benefits, practices, etc.

(7) Plan, coordinate and administer the General Offices safety program.

(8) Plan and coordinate the allocation of space, maintaining appropriate physical and decorative standards, and furniture and equipment standards.

(9) Supervise purchasing activities for the General Offices, coordinating with the Purchasing & Traffic Department.

(10) Develop and maintain a community relations program for the General Offices and Research Center locations with local governmental and civic groups.

7. Public Relations Department

The director of the Public Relations Department is responsible to the President. All members of the public relations staff, wherever located, are responsible to the director of public relations. Members of the public relations staff assigned to work with divisions have a primary responsibility to the director of public relations and a secondary responsibility to the division general manager.

The director of the Public Relations Department shall:

a. Be responsible for furnishing factual information on Monsanto, within the bounds of the company's security policy, to all public information outlets. He shall clear all material with pertinent divisions and departments and, additionally, make such factual information on Monsanto available to employes promptly by use of proper internal media.

b. Be responsible for editing and publishing *Monsanto Magazine.*

c. Provide press, radio and TV product publicity service for the divisions and for the company, working in coordination with marketing plans.

d. Assist the President and other members of the Executive Committee in the planning and formulation of special communications, speeches and letters.

e. Keep the President, as the chief public relations officer of the company, informed on matters of public opinion concerning Monsanto.

f. Acquire information for and produce shareowner publications, such as the *Annual Report and Review,* quarterly statements and dividend stuffers; plan the annual meeting of shareowners.

g. Provide assistance and counsel in designated areas of employe communications and community relations.

h. Be responsible for acquiring, clearing and distributing photographs and maintaining an up-to-date file of photos.

i. Produce and distribute corporate and multidivisional motion pictures.

8. Purchasing & Traffic Department

The director of the Purchasing & Traffic Department is responsible for the purchasing and movement of all goods, materials and supplies. He reports to the Vice President of manufacturing. The local purchasing and traffic agents and buyers as well as the central purchasing and traffic staff members report to him. He is responsible for staffing these positions. The divisions may appoint a liaison officer.

The director of the Purchasing & Traffic Department shall:

a. For Purchasing:

(1) Purchase all goods, materials and supplies and have same available at proper points at times and in quantities agreed upon with the respective divisions.

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(2) Submit to the Law Department for review all contracts and purchase orders except those involving less than limits established by the Law Department.

(3) Submit to the Vice President of manufacturing for approval all contracts amounting to $100,000 or more and which include also a term of more than one year, or a provision for liquidated damages or penalties, or which lack a price protection clause.

(4) Develop new sources of supply, substitute raw materials, price trends and future availability studies—tieing in closely with the divisions.

(5) Keep various units of the company informed on the following:

(a) Package specifications required under Interstate Commerce Commission regulations for the transportation of all hazardous commodities and by Consolidated Freight Classification Committee for non-hazardous commodities;

(b) New developments in packages, packaging machinery and associated activities;

(c) Opportunities for effecting cost reduction in packaging.

(6) Consult with and assist, in advisory capacity, those divisional personnel having responsibility for implementing container improvements.

(7) Keep various units of the company informed on all labeling regulations and related federal, state and municipal laws, and supervise the divisions' compliance with them.

b. For Traffic:

(1) Arrange for the movement of all goods, materials and supplies at the lowest cost applicable to the required transportation service. Appropriate traffic personnel at plant locations performing this function are responsible to the director of the Purchasing & Traffic Department through the general traffic manager. Rates, rules and regulations covering all phases of transportation are described in exacting terms, and their interpretation is solely the responsibility of the director of the Purchasing & Traffic Department.

(2) Conduct all negotiations with transportation companies and car leasing companies for rates, track leases, tank cars, tank trucks, all water movements and other transportation subjects.

(3) Supply correct description for bills of lading.

(4) Provide routing via most economical mode of transportation consistent with service and most efficient distribution of tonnage.

(5) Effect payment of proper freight charges.

(6) Plan and arrange for efficient and adequate storage and distribution of finished goods in the sales warehouses throughout the nation.

(7) Administer all transactions with the Interstate Commerce Commission and state regulatory bodies with regard to transportation matters.

9. Treasury Department

The director of the Treasury Department is the Treasurer of the company and is elected by the Board of Directors. He reports to the Vice President of finance and law or, in his absence, to the President. Managers of banking, insurance, credit and taxes report to the Treasurer.

The director of the Treasury Department shall:

a. Have and assure the safe custody of the funds and securities of the company and deposit all monies and other valuable effects in the name of and to the credit of the company in such depositories as may be designated by the Board of Directors.

b. Disburse the company's funds when properly authorized by vouchers prepared and approved by the Controller and invest funds of the company when approved by the Board of Directors or the Finance Committee.

c. Render to the President and the Board of Directors, whenever they shall require it, an account of all his transactions as Treasurer.

d. If required by the Board of Directors, give the company a bond in such sum and with such surety or sureties as shall be satisfactory to the board for the faithful performance of the duties of his office and for the restoration to the company, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the company.

e. Be responsible for tax matters, including the filing of tax returns. Problems involving tax law or legislation shall be coordinated with the Law Department.

f. Control all insurance activities, except group insurance, collaborating where suitable with the staff departments and divisions. These activities include:

(1) Analysis and evaluation of exposures to loss.

(2) Determination of extent to which such exposures should be protected by insurance.

(3) Administration of a program for purchase of insurance to cover loss of physical assets from such hazards as fire, windstorm, explosion and kindred risks, including the loss of earnings, and to cover legal liabilities and liabilities assumed under contract for injury to persons and damage to property of others.

(4) Preparation, adjustment and collection of claims for losses involving properties and earnings and, in cooperation with the Law Department, in settlement of third-party liability claims, including Workmen's Compensation.

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(5) Maintenance of a property loss prevention program to supplement the service that is furnished by the insurance carriers, cooperating with the division general managers, plant managers and staff department directors.

g. Have company-wide responsibility for domestic and overseas credits and collections.

h. Administer employes' stock purchase plans.

VII. OTHER POSITIONS

A. Manager of Washington Office

The manager of the Washington Office is appointed by the President and reports directly to the President.

The Washington Office manager shall:

1. Advise and assist all elements of the company in their contracts with the departments of the U. S. Government and others in the Washington area. Sales to the U. S. Government are outside his jurisdiction.

2. Maintain such contacts with the Government as are necessary for Monsanto's interest.

3. Be apprised in advance of contacts which other personnel make with the Government and assist when necessary in arranging such contacts.

4. Be a member of the Policy Committee for Government Affairs and advise this committee on legislation and on other matters of interest to Monsanto.

5. Keep abreast of the research negotiations of Monsanto Research Corporation.

6. Make a monthly report to the President, the Executive Committee and the Corporate Secretary.

B. Director, Civic Affairs

The director, civic affairs has company-wide responsibility for each of the areas of interest and activity outlined below; for research in these areas; for keeping all concerned informed of developments in such areas and for recommending policy and action.

The major responsibilities of the director, civic affairs are:

1. Employe Political and Governmental Activity

a. Assume full responsibility for developing, on a non-partisan basis, an effective company-wide program of employe participation in political action, under policy as established by the Policy Committee for Government Affairs. Work through divisions and staff departments in developing courses and course leaders and follow up regularly to see programs are carried out.

b. Be alert to opportunities for the company to communicate effectively with employes on political issues. Upon clearance with the chairman of the Policy Committee for Government Affairs, he will follow through with Public Relations Department on preparation of such communications.

c. Review policy from time to time as conditions change and recommend revisions.

d. Develop company-wide program for recognition of employes for outstanding work in political or governmental activity.

2. Legislation

a. Coordinate his activities closely with the Law Department and the Washington Office. Primary responsibility for legislative matters is in the Law Department; the Washington Office is concerned with federal aspects of legislation.

b. State:
Arrange with plant and other location managers to keep him and the Law Department informed on legislation pending in state assemblies which may affect Monsanto. Advise the Law Department where action seems indicated. Where action is to be taken, advise the location manager on how to organize political effort, working through local people. Keep abreast of pending legislation until the situation is cleared up.

c. Federal:
Assist the Law Department and the Washington Office, as requested, on any federal legislation. Clear with the Washington Office before any contact is made with members of Congress. Serve as adviser to both offices on, and be particularly alert to, legislation in his particular field of competence.

3. State and Federal Commissions and Agencies

When requested, assist company spokesmen in preparation of material and advise on manner of presentation for company appearances before state or federal commissions or agencies.

4. National and Local Issues Affecting Business

Study and evaluate national and local issues affecting business and recommend company, industry or community action or counteraction if indicated. Clear policy and proposed action with the Policy Committee for Government Affairs and the Law Department before proceeding. Make recommendations to and coordinate the activities of Business Climate Committees which are set up in each state in which the company maintains an operating unit.

5. Public Appearances

Serve as company spokesman, or as a private citizen, where a definite purpose would be served, on public forums (radio, TV, town meetings) on issues in which company interest or the principles of good government are involved, clearing policy prior to such appearances with the department or division most concerned.

6. Policy Committee for Government Affairs

Serve as a member of the Policy Committee for Government Affairs.

The director, civic affairs reports to the Vice President of finance and law, who is chairman of the Policy Committee for Government Affairs. He has supervisory responsibility for such persons as may, temporarily or permanently, be designated to assist him.

C. Division Director of Development

The director of development is appointed by the general manager with the approval of the Vice President of research, development, patents and basic engineering, and reports to the general manager.

In the Overseas Division, the director of development is responsible for recommending the establishment abroad of new manufacturing operations using Monsanto or other technology, for the sale of Monsanto technology and services abroad, for recommending new projects and development programs to foreign subsidiaries, associated and affiliated companies, and for assuring coordinated effort in company growth and expansion abroad.

In the Research & Engineering Division, the director of development is responsible for keeping his general manager informed on new processes, products, applications and ideas from outside which may be of value to the company. Those new fields chosen for further investigation shall be under his direction until such time as they are transferred to another unit of the company for detailed follow-up work.

The other directors of development have responsibility for commercial chemical development and technical service with degrees of emphasis indicated by the varying lines of organization.

In general, the director of development shall:

1. Establish new uses for old or new products with sufficient customers to make certain of their value and methods of use, then turn the product over to the sales department.

2. Develop with the research department new products to satisfy existing new demands, solve new problems or improve old solutions.

3. As instructed by the general manager, render service and advice on technical matters within the company and to consumers, handle complaints and technical inquiries.

4. Maintain close contact with the chemical and chemical consuming industries to foresee trends, new possibilities, make market surveys.

D. Division Director of Engineering

The director of engineering in a manufacturing division is appointed by the general manager with the approval of the Vice President of manufacturing and division engineering and is responsible to the general manager. Responsible to him are the associate and assistant directors of engineering.

The director of engineering in a manufacturing division shall:

1. Handle studies for and construction of plant expansion requirements and improvements in plant processes.

2. Cooperate with and exercise budgetary control over outside engineering and construction firms when they are being employed.

3. Work closely with the Research & Engineering Division on any divisional projects assigned to them and where agreed upon, work on engineering research projects set up by the Research & Engineering Division.

4. Evaluate, design and construct foreign plants and/or supply engineering assistance for foreign subsidiaries, associated and affiliated companies as requested by the Overseas Division.

The director of engineering, Research & Engineering Division, is appointed by the general manager of that division with the approval of the Vice President of research, development, patents and basic engineering, and is responsible to the general manager.

The director of engineering, Research & Engineering Division, shall:

1. Do process engineering research, supported by fundamental engineering research, to investigate the application of new equipment and engineering techniques to new and existing processes.

2. Provide all types of engineering consulting services as required.

3. Direct the design and construction of new facilities, evaluation of new processes, new equipment or new enterprises and plant site studies, as requested.

4. Organize and operate, whenever economical or advisable, facilities for the manufacture of equipment items for use in the company's operations, and when advisable create an organization to construct chemical plant facilities for the company or for its customers.

5. Create a Monsanto disaster emergency plan in consultation with pertinent divisional and departmental personnel.

6. Collaborate with research, development and other technical departments in the training and development of the company's engineering personnel.

E. Division Director of Manufacturing

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The director of manufacturing is appointed by the general manager with the approval of the Vice President of manufacturing and division engineering, and is responsible to the general manager. Divisional plant managers report directly to the director of manufacturing.

The director of manufacturing shall:

1. Take every possible means to keep costs at the lowest level, improve production techniques and plan new production developments, working closely with research and development directors.

2. Maintain the budget set by divisional management and improve upon it wherever possible.

3. Authorize capital expenditures within such limits as are prescribed by the general manager.

4. Regulate production to the needs of sales and inventory, keeping the latter as low as safely possible.

5. Be responsible for direct handling of labor relations and personnel in the plants in close cooperation with the plant managers and the Personnel & Administrative Services Department.

6. In the Overseas Division, be responsible for assisting foreign subsidiaries, associated and affiliated companies in improving manufacturing costs and productivity, in optimizing the return on invested capital, in applying the most efficient manufacturing technology available to Monsanto, and in developing the most effective manufacturing management and methods.

F. Division Director of Marketing

The director of marketing is appointed by the general manager after consultation with the Vice President of marketing, and is responsible to the general manager. Divisional directors of sales report directly to the director of marketing.

The director of marketing shall:

1. Take the initiative in the establishment of long-range sales objectives of the division with the collaboration of other department heads.

2. Arrange for the development of detailed sales programs designed to maximize profits, improve competitive positions, reduce distribution costs and reach established sales goals.

3. Review and approve sales policies and strategies and pricing policies and strategies for all products to insure that short-term operations are in accord with long-term profitability and do not jeopardize other phases of the company's operations.

4. Consult with the director of manufacturing so that production rates and inventories are geared as closely as possible to actual sales needs.

5. Review and approve sales and expense budgets and evaluate periodically the performance of all sales activities in relation to sales goals, budgets and costs and take such corrective actions as are required.

6. Establish an effective plan of organization and methods of control that will provide sufficient time for carrying out the full line of responsibilities and that capitalizes on the potential of each individual.

7. Provide leadership to all levels of the sales organization in establishing a sound basis for each individual's self development and in making certain that compensation is in line with responsibilities and performance.

8. Develop effective working relationships with other department heads and the general manager so that every significant sales development can be translated into an appropriate course of action and every significant development in other departments can be translated into appropriate sales action.

9. Develop relationships with key customers that will provide maximum long-term participation in their available business.

10. Keep the general manager and Vice President of marketing fully informed on sales results and future plans of operation.

11. Establish a system of communications with sales management and supervisory personnel that will keep them informed of over-all divisional sales objectives, results and problems.

12. Train sales personnel so as to have an adequate supply of sales executive talent for replacements up through and including the marketing director's position.

G. Division Director of Personnel

The director of personnel in a division is appointed by and is responsible to the general manager of the division. The director of personnel is responsible for advising the general management and furnishing functional guidance to all line and staff departments to accomplish the selection, development and maintenance of an effective personnel organization for the division. He is charged with the interpretation, application and coordination of personnel and administrative service policies and programs on a division-wide basis. He is responsible for periodic review and evaluation of divisional personnel relations and administrative service functions to assure the efficient operation and maintenance of personnel services for an optimum return on the personnel investment.

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The director of personnel shall:

1. Establish and conduct a divisional headquarters personnel office for the administration of personnel relations matters.

2. Develop, coordinate and administer a division-wide program for salary administration.

3. Formulate or receive and recommend for approval proposals for policies on personnel relations and administrative services.

4. Guide and assist all line and staff departments in plant and office locations in the coordination and implementation of the following activities as may be required outside of the line responsibility assigned to the various functional departments, plant managers and district office managers:

a. Employment practices,

b. Training programs,

c. Management development programs,

d. Salary administration,

e. Employe benefit plans,

f. Employe relations,

g. Labor relations,

h. Medical services,

i. Safety policies,

j. Community relations,

k. Administrative methods and systems,

l. Charitable contributions,

m. Government security and clearances.

5. Maintain a close liaison with the company's Personnel & Administrative Services, Medical and Public Relations Department staffs located at St. Louis to assure effective coordination of the divisional functions with broad policies of the company and activities within other divisions.

6. Prepare and submit for approval an annual budget to cover the operating expenses of his department.

7. Administer funds allotted under the approved annual budget or recommend any unusual capital or expense expenditures that may be required and justified outside the scope of approved budgets.

8. Receive, review and recommend for approval, expenditures under the company's transfer and housing policy.

9. Receive, review and recommend for approval, expenditures under the company's tuition payment program.

H. Division Director of Production and Exploration (Hydrocarbons Division Only)

The director of production and exploration, with the approval of the President, is appointed by that division general manager, and is responsible to him. The manager of the production and exploration department, directors of production, foreign exploration and domestic exploration, regional managers, staff managers of the department, and the general superintendent of the gas-gasolene department report to the director of production and exploration.

The director of production and exploration shall:

1. Be responsible for the discovery, acquisition and exploitation of oil and gas reserves.

2. Analyze and appraise regularly and systematically the effectiveness of all production and exploration activities and take corrective action when needed.

3. In addition to acquiring as many new reserves as possible, see that the present ones are utilized to the best possible advantage.

4. Buy, sell and trade crude oil, natural gas and products from the natural gasoline plant to the best profit.

5. Approve, by delegation from the general manager of the division:

a. Capital Expenditures

(1) Not restricted by the general manager and covered by approved budgets up to $150,000;

(2) Drilling of unbudgeted wells costing less than $150,000 where funds are available from an uncommitted portion of an approved budget;

(3) Minor items up to $15,000;

b. Operating Expenditures

Unbudgeted items of maintenance and operation up to $25,000 for production activities and $10,000 for others;

c. Acquisition Expenditures

(1) Acquisition of oil and gas leases up to—

$100,000 for any one block of leases,
$100,000 for any semi-proven lease;

(2) Commitment for drilling of wells up to $150,000 provided there are not more than two outstanding. Authority of the Vice President and general manager is required on purchase of any producing property or mineral interest or on farmouts;

(3) Dry hole and bottom hole contributions up to $15,000;

(4) Disposition of real estate or leaseholds, sales of surplus materials, settlement of claims up to $25,000.

I. Division Director of Research

The director of research is appointed by the general manager with the approval of the Vice President of research, development, patents and basic engineering, and is responsible to the general manager. Divisional associate and assistant directors report to the director of research.

The director of research shall:

1. Improve constantly, by research, present products and processes; bring out new products and develop processes for them; through

pilot plant operation, supply engineering with data for design and construction and supply commercial development or sales sample quantities for testing and carrying out application work.

2. Set proportions of budgetary allowance to be spent on the various research categories listed above and approve expenditures within the budget established by the general manager.

3. Facilitate utilization of products of other divisions as raw materials in his division, particularly where excess capacity is available.

4. Notify, in summary form, all directors of research, the director of development of the Research & Engineering Division, and the Patent Department, on final reports completed in his laboratories.

5. By studying technical literature and through technical contacts, develop new possibilities for manufacture or use.

6. In the Overseas Division, be responsible for the coordination of the research and technical service activities of foreign subsidiaries, associated and affiliated companies with one another and with domestic research programs, and for maintaining abroad a program of governmental, academic and industrial contacts to keep the company informed of technical advances.

Work on products of another division must not be inaugurated until cleared by the general manager concerned or, failing agreement, with the Vice President of research, development, patents and basic engineering.

E—Corporate Policies
and Procédures

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SECTION E

CORPORATE POLICIES AND PROCEDURES

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CORPORATE POLICIES AND PROCEDURES

I. ACQUISITIONS AND JOINT VENTURES

The President's office shall be informed of all proposed acquisitions of other companies and of all proposed joint ventures (contractual or corporate) with other companies. In all such cases the President's office shall be informed of the matter before contact is made with anyone employed by, or representing, the other company. If the initial contact is made by the other party, the President's office shall be informed immediately after receipt of the contact.

If the President's office approves further study of the matter, prior to submitting a proposal to the other party 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 the proposal to protect Monsanto. The proposed transaction should also be referred to the Treasury Department for review and comments on tax implications. In addition, the chairman of Corporate Planning and Evaluation shall be consulted promptly as to financial aspects of the transaction.

At the same time, the Assistant to the President shall be notified of each such study concerning potential domestic and foreign acquisitions and joint ventures and of the location within the company of the complete files relating to such study.

The method of handling investigations of possible acquisitions or joint ventures shall be guided by the circumstances of each case. In general, however, each division will carry out investigations of those that fall within its orbit of interest, while investigations of those that do not fall within the orbit of interest of any division shall be carried out by persons designated by the President.

Caution should be exercised on 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.

II. APPROPRIATION REQUESTS AND FORECASTS AND RETIREMENT REQUESTS

The format for these requests and forecasts is provided by the Controller's office.

The procedure for handling requests and forecasts, the number of copies required, and practices for approving such requests and forecasts are outlined under "The Executive Committee," page C-2.

A. Appropriation Requests

Requests for capital appropriations for fixed property or investment in other companies, for (1) new projects, (2) replacements, (3) overruns, (4) underruns or (5) changes in scope, requiring approval of the Executive Committee and/or the Board of Directors shall follow the outline provided by the Controller's office. No appropriation request in excess of $250,000 will be considered by the Executive Committee unless the project has been approved as an appropriation forecast at least four months earlier. Should a project develop of an emergent nature, the general manager should discuss it with the appropriate member of the Executive Committee before the appropriation request is prepared.

Terms listed above are defined as follows:

Overrun is the additional expenditure, beyond the original appropriation, for any purpose necessary to achieve the original project objectives.

Underrun is any fund, already approved in the original appropriation, the expenditure of which is unnecessary to achieve the original project objectives.

Change in scope is a change of the objectives of the original project which will require additional expenditure beyond the original appropriation.

Whenever it appears that an overrun or change in scope will require additional funds beyond the amount approved, or that an underrun will occur, a supplemental request must be submitted to the Executive Committee where the change is:

1. More than $100,000 or;

2. $100,000 or less, but five per cent or greater of the amount of the original project when such project was approved at a level higher than the general manager.

The Executive Committee may report to the Board of Directors those supplemental requests which are either 10 per cent or greater of the original project or $500,000 or greater, when the original project was approved by the Board.

The supplemental request requires the same type form as the original request and should recite briefly the points covered in the original request, explain the reasons for requesting additional funds, and set forth the new returns on investment.

Such supplemental requests will be charged against the allowance of the level which approved the original request and not that of the general manager.

B. Appropriation Forecasts

In order to have the best possible estimate of future total company capital expenditures, appropriation forecasts are prepared for all capital expenditures anticipated in the two years forward which are not covered by appropriation requests. These forecasts apply to both fixed and working capital and include investments in and advances to subsidiaries, associated and affiliated companies, whether such investments or advances be in cash or in product value.

Individual forecasts are required for projects of $250,000 and over. The information and format required for these forecasts, as well as forecasts for projects of lesser amounts, are outlined by the Controller's office.

No appropriation forecast will be considered by the Executive Committee unless the project has been listed as an anticipated forecast in the prior quarterly Construction Program.

C. Retirement Project Requests

Retirements of fixed assets having a gross property value (before deducting accumulated depreciation) of more than $100,000 are cleared through normal channels with the Executive Committee by submission of retirement project requests.

Where applicable, retirement project requests are attached to appropriation requests. Overruns and underruns of retirements are subject to the same requirements for approval as original retirement project requests.

Each general manager must clear annually with the Budget Committee the amount of write-off regarding obsolescence for all property to be retired by his division during the coming year.

III. APPROPRIATION REQUEST PROJECT PERFORMANCE REPORTS

The results of actual operation of completed capital projects approved under appropriation requests are reported to the Project Performance Committee for all appropriation requests for $250,000 or more of new fixed capital which indicate new earnings and/or cost savings. These reports show a comparison of actual results with those estimated in the appropriation request.

Subsequent follow-up reports are prepared for those projects specifically indicated by the Project Performance Committee.

The format and procedure for these reports is provided by the Controllers' Office.

IV. ASSOCIATED COMPANIES—POLICY

In those areas where Monsanto competes with an associated company, Monsanto treats that company as it does any other competitor. In those areas where Monsanto competes for the business of an associated company, Monsanto treats the associated company as it does any other customer.

V. BUDGETARY CONTROL PLAN

Each division and staff department, in the fall of each year, prepares a budget of sales and income and selling, administrative, research, engineering and patent expenses (SARE expense) for the ensuing calendar year.

The proposed budgets of the divisions and staff departments are consolidated by the Controllers' Office for review by the Budget Committee. On acceptance and approval by the Budget Committee, the budget becomes the annual budget for the calendar year.

Divisional performance is judged against budgets to establish control and accountability of operations. Following each calendar quarter each divisional general manager presents to the Budget Committee (1) a comparison of actual results versus budget with an explanation of deviations from budget, and (2) a projection of performance for the balance of the year.

Staff department directors are also required to explain material deviations from their budgets.

It is possible that changing circumstances during the year can require revision to SARE budgets. Such revisions are permissible only with approval of the Budget Committee. A proposed revision is submitted on the standard form "Request to Revise SARE Budget." The form provides a formal and orderly manner of revising SARE budgets and assures presentation of complete data.

Quarterly reviews with the Budget Committee include explanations of overruns and/or underruns of SARE budgets.

The approved annual budget is prepared in Budgetary Control data form which segregates the operations of each division into product groups. Data are reported by quarters for the year.

A product group is usually, but not necessarily, made up of related products selected by divisional management for common characteristics.

Various data reported for the product groups include dollar sales and income after tax; return on investment; income as a % of sales; dollar of sales per dollar of investment.

Actual performance of product groups is reported in comparison with budget and serves as the base for divisional reviews with the Budget Committee.

The divisions and departments also prepare a forecast of sales, income and SARE expense for the year subsequent to that covered by the annual budget. This forecast is revised at mid-year to reflect revised outlook and to provide foundation and background for preparation of the next annual budget. The purpose of these forecasts is to project the results of future operations; they are not attended by any authorization, real or implied, for actual expenditure. It is not intended that these forecasts be prepared with the detailed effort required for the annual budget; they are, however, to present, in the General Managers' opinion, a reasonable and realistic estimate of the next year's operations.

The forecast for the year subsequent to the annual budget is also prepared in Budgetary Control data form though not by calendar quarters.

The routine of procedures and time schedules may change from time to time and is coordinated by the Accounting Department. Questions regarding procedure in greater detail should be directed to that department.

VI. CAPITAL EXPENDITURE FORECASTS

In order to forecast capital expenditures, all projects are classified as follows:

A. Group I—Capital outlays of $250,000 and over:

Appropriation forecasts (on forms available from the Accounting Department) are prepared on such projects and submitted to the Executive Committee for approval; whenever possible, this is done on an individual project basis; where circumstances warrant, however, appropriation forecasts can be submitted on a blanket basis.

B. Group II—Capital outlays from $100,000 to $250,000:

This class of project does not require appropriation forecasts. The divisions, however, must prepare a listing of contemplated expenditures, identifying them by name wherever possible and indicating whether they are "must" or "deferrable" projects. Where necessary, projects can be identified on a blanket basis. These listings receive quarterly review by the Executive Committee.

C. Group III—Capital outlays of $100,000 or less:

No appropriation forecasts or listings are prepared for Group III projects; monthly lump sums already established by the Executive Committee for each division to cover projects in this classification are used.

These forecasts apply to both fixed and working capital and to advances to or investment in subsidiaries, associated and affiliated companies, whether such investment be in cash or in product value.

VII. CIVIC RELATIONS

A. Policy Statement Concerning Employe Participation in Politics

The objective of the civic affairs function in Monsanto is to help obtain and maintain good government at the local, state and national level; government which, while conducted in the interests of all segments of society, likewise insures the successful and profitable operation of business enterprise. This objective will be obtained only by the development of a high quality of citizenship. It is a task which demands the attention of every individual as an employe and as a citizen. The activities which take place in the attainment of the objective may logically be divided in two parts: the political and the governmental.

Because of the impact of government on the free enterprise system, it is necessary today to engage in activities which are aimed at improving understanding on the economic and social issues which have a significant effect on business. At the same time the company recognizes that employes are sometimes prevented from participating actively in public affairs in the absence of a clear policy on this subject. It is for these reasons this statement of policy is published.

Federal and state laws rightly place certain restrictions on the political and/or governmental activities of corporations and labor unions. In the event that any portion of this policy statement should appear explicitly or implicitly to be at variance with any such provision of law, the law shall in all instances take precedence and all persons operating pursuant to this policy shall be governed accordingly.

If any part of this policy statement is in conflict with the terms of a collective bargaining agreement applicable to Monsanto employes, the terms and conditions of such agreement shall prevail with respect to such matter. Any conflict of interest regulated by law, administrative ruling or existing company policy shall also take precedence over this statement of policy.

1. Definitions

"Politics," as used in the context of this policy statement, means the process of selecting and electing men and women to hold public office. The support or advocacy of a legislative proposal or other public issue is not included in this definition.

"Government," as used herein, means the administration of public affairs by those who are elected or appointed to public office.

"Partisan" means the advocacy or support of a political party or of a candidate for public office. In this context it is not to be confused with the support or the advocacy of a legislative proposal or other public issue.

2. General Statement

The management of Monsanto Chemical Company encourages employes to participate in political and governmental affairs. Nevertheless, an employe's primary responsibility is to his work assignment and the proper performance of this assignment takes precedence over political and/or governmental activity. Apart from this necessary limitation, the company urges all employes to familiarize themselves with the political processes, to study the qualifications of those who present themselves for public office, to gain an ever increasing knowledge of legislative and other public issues, to express their views as individuals with regard to the merits of candidates and concerning the arguments for and against public issues; in summary, to play their full role as citizens. Like all corporations, Monsanto is prohibited by law from taking an active part in the affairs of any political party or in the support of a candidate for public office. The company cannot and will not help or hinder a political candidate or a political organization, nor will it bring pressure to bear upon its employes for such purposes. At the same time, the company specifically reserves the right to take a position with respect to any public issues, legislative or otherwise, which in the opinion of the management of the company affect the welfare of the company, the operation of its business or the system of free, competitive enterprise or which might prevent or contribute to the achievement of the objective of good government mentioned above.

3. Alteration of Work Schedules, etc.

In order to assist employes to engage in political or governmental activity, division general managers, staff department directors and all others to whom such authority is delegated will adjust work schedules and vacation periods whenever in the judgment of the manager concerned such an adjustment can be made without disrupting the business of the company.

4. Time Off

Employes required to be paid for overtime worked in accordance with the provisions of the Fair Labor Standards Act of 1938 may be permitted time off without pay for short periods not to exceed five consecutive working days in order to engage in political work, whether partisan or non-partisan, including attendance at political conventions at the discretion of division general managers and staff department directors.

In the case of employes not subject to the overtime requirements of the Fair Labor Standards Act, since the nature of their work is such that they make up any time which is lost, such employes may be granted short periods of time off without loss of pay on approval of the concerned division general manager or staff department director.

5. Leaves of Absence

Unpaid leaves of absence may be granted with the approval of division general managers or staff department directors for the purpose of full-time participation in political campaigns or for the purpose of discharging the responsibilities of a public office to which the employe has been elected or appointed. In order to insure uniformity throughout the company, no such leave shall be granted or refused without prior consultation with the Policy Committee for Government Affairs. Such leaves shall have a maximum duration of two years and three months.

Leaves of absence without loss of pay or benefits rights may be granted by division general managers or staff department directors after consultation with the Policy Committee for Government Affairs for the purpose of non-paid service on governmental bodies. The rights of employes to continuation of pensions, group insurance, vacations and other employe benefits will be governed by existing policy covering leaves of absence.

6. Contributions and Expenditures

Monsanto Chemical Company encourages personal financial contributions to support political parties and to support the campaigns of candidates for political office.

As a corporation Monsanto cannot lawfully make contributions or other expenditures to or for the benefit of political parties or to aid the candidacy of any aspirant for governmental office. Therefore, no employe shall make, authorize or approve any contribution or expenditure of company funds, whether direct or indirect, to support any political party or to assist in the campaign of any candidate for public office. However, the use of company funds or facilities to stimulate registration and voting on a non-partisan basis, to afford training in practical politics or for any other type of educational activity with regard to political or governmental affairs or for similar non-partisan programs is not prohibited.

7. Freedom of Thought and Action

Monsanto will do nothing to limit the right of its employes to freedom of speech on political matters and on public issues. In some cases the opinions of employes as individuals may be in conflict with those who are designated as official spokesmen for the company. Unless an employe has been designated as official spokesman, it is his responsibility to point out that he speaks as an individual and not as a representative of Monsanto. Written expressions of views on public affairs shall not be issued on Monsanto stationery unless the individual is acting on behalf of the company as its spokesman in respect of any such matter.

Any employe who may be elected or appointed to a public office is primarily responsible to the constituents whom he serves. To avoid any appearance or possibility of conflict of interest, should any employe be required to judge, vote or act on any matter in which Monsanto is a party in interest, such employe should act according to the dictates of his own conscience and he will be expected to handle the matter in the same manner as he would if Monsanto were not involved. Nor should it be necessary for him to refrain from voting or otherwise acting on any such matter in which Monsanto is a party in interest since the failure to do so may in itself dictate a result which is different from that in which he truly believes.

8. Political Action Courses

Non-partisan education in the art of practical politics is and shall continue to be made available to all Monsanto employes on a voluntary basis on company time. However, overtime compensation shall not be paid for such educational activities. The details with regard to the formation of groups for such purposes, the time of the offering of such instruction, etc., shall be left to the discretion of the location manager.

B. Organization of Business Climate Committees

Division general managers, production managers and plant managers and their principal assistants should become acquainted with and maintain frequent contact with the men and women in their communities who may be classified as "key citizens" and "molders of public opinion" and with municipal, county and state officials and any federal officials who happen to be resident there. Monsanto's policy is to be a good citizen.

Each division general manager (excluding the general manager of Overseas Division) is responsible for setting up a Business Climate Committee in each state in which he is responsible for an operating unit. When two or more divisions are responsible for operating units in a single state, general managers concerned cooperate in setting up the Business Climate Committee for that state. In general, such groups are comprised of representatives, such as the following, who serve in the state in which they are located:

Assistant general manager	Division or plant public relations manager
Division department director	Division or plant controller
Plant manager	Law Department representative
Division personnel director	Regional or district sales manager
Plant personnel manager	Assistant to general manager
Plant superintendent or general superintendent	Public affairs representative

The number of persons on the committee may vary. A minimum of three or four members is desirable, each participating on an equitable basis.

In those states where there is a single operating unit, the Business Climate Committee is made up of individuals from that unit. In those states with multiple operating units, the Business Climate Committee is made up of persons designated by their respective general managers from each unit. If there is any question as to the practicability of a Business Climate Committee because of limited company interests in a particular state, the decision rests with the general manager concerned.

Coordination of the work of the various Business Climate Committees is the responsibility of the director, Civic Affairs.

The principal functions of each Business Climate Committee are:

A. Keep informed on political and legislative trends in the state and local community and make reports or recommendations thereon to those concerned.

B. Take such action as may be directed by the company with regard to legislative developments affecting the company or as may appear appropriate to the committee in specific instances.

C. Arrange for the conduct of training programs in practical politics and stimulate interest on the part of employes to be of service to the political party of their choice.

D. Take such action as may be warranted to improve the relations of the company with state and local government agencies and with national government officials representing the state or the community.

E. Establish a speakers' bureau.

F. Conduct or participate in business climate surveys.

G. Encourage and stimulate other companies to take a more active part in political and governmental affairs, looking toward the development of a better understanding on the part of legislators and the general public of issues affecting industry.

H. Wherever possible, work closely with business or trade associations, labor unions, professional associations, citizens' committees and other groups in the interest of good government.

I. Coordinate activities with the director, Civic Affairs, keeping him informed of all significant developments in the areas mentioned and utilizing, as needed, the services of the office of Civic Affairs, the Law Department, Washington Office, Public Relations Department, Personnel & Administrative Services Department and other staff departments and specialists.

J. Keep minutes of meetings and furnish copies of them to the director, Civic Affairs.

Note: In all instances where action is to be taken with or through employes, this shall be done by means of the established line organization.

VIII. COMPLIANCE WITH ANTITRUST LAWS

Vigorous competition is an essential element of our free enterprise system in the United States. The basic objective of the antitrust laws is to protect and preserve competition from unreasonable restraints, 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, and particularly those in marketing, are fully informed of and comply with Monsanto's policy in this regard.

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

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 so-called *per se* violations include agreements or arrangements between competitors:

A. To fix or control prices or production;

B. To allocate customers, markets or territories; or

C. To boycott certain customers or suppliers.

Monsanto sells products to competitors and purchases products from them. Dealing with a competitor in usual and customary ways solely as a supplier or as a customer is proper and permissible. Except for such dealings with a competitor as a supplier or customer, no Monsanto employe shall engage in any discussions, agreements or understandings (whether by telephone, correspondence, at meetings or otherwise) with any competitor with respect to any matter, including prices, which would constitute a *per se* violation of the antitrust laws. This prohibition against discussion of prices includes not only proposed price changes but also prices then in effect.

In certain other areas it is often difficult to determine what may constitute a violation of the antitrust statutes. Both legal and economic questions are involved. In some cases, such a determination involves a complicated legal analysis of the reasonableness of the proposed action and its probable effect upon competition.

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It has therefore long been Monsanto's rule that all employes should seek the advice of the Law Department whenever any question arises as to the possible application of the antitrust laws, and act in accordance with the legal advice received.

All Monsanto personnel are expected to comply fully with both the text and spirit of this statement of policy.

IX. CONFLICTS OF INTEREST

It is the policy of Monsanto to respect the rights of its employes in the conduct of their personal affairs and investments, provided such conduct does not adversely reflect upon the company or conflict with its interests. However, as employment with Monsanto involves a relationship of trust and loyalty, it is essential that employes be free from any influence which might interfere with the proper and efficient discharge of their duties or be inconsistent with their obligations or loyalty to the company. It is also the duty of employes not to utilize their positions for personal advantage or gain. Accordingly, Monsanto will investigate and take action which it determines is necessary to protect the interests of the company.

While it is not possible to describe all situations and conditions which might involve such a conflict of interest, the following examples indicate areas where conflicts may arise:

A. Where a Monsanto employe, or a close relative, has a direct or indirect financial interest in or is engaged in the management of an organization which does business with or is a competitor of this company. Such a conflict is unlikely if the financial interest consists of holdings of less than five per cent of any type of another corporation's outstanding securities which are listed on a recognized stock exchange or regularly traded on an over-the-counter market.

B. Where a Monsanto employe, or a close relative, buys, sells or leases any kind of property, facilities or equipment from or to the company or to any person or organization which is or is seeking to become a contractor, supplier, or customer of the company.

C. Where, except with the prior approval of the management of the company, a Monsanto employe serves as a director, officer, or in any other management or consulting capacity with, or renders other services to, another organization which does or is seeking to do business with the company or which is a competitor.

D. Where a Monsanto employe accepts a share in profits or any other payments, loans (other than with established banking or financial institutions), services, or any gift, other gratuity, or entertainment of more than nominal value from any person or organization which does or seeks to do business with the company.

E. Where a Monsanto employe uses or releases to a third party any data on decisions, plans, competitive bids, or any other information concerning the company which might be prejudicial to the company.

In general, a Monsanto employe should avoid being involved in any situation which may place him under an obligation that may interfere with his primary duty at all times to act in the best interests of the company to the best of his ability. If a possible conflict-of-interest situation exists or is thought to exist, it is the employe's duty to report it to his superior or to a company officer.

As used in this statement, the term "company" refers to Monsanto Chemical Company and its subsidiaries and associated companies. "A close relative" includes an employe's spouse, parents, and children and their spouses.

The foregoing statement is not concerned with or intended to cover political, civic, or professional activities or affiliations of employes; it is directed only to conflicts of interest of a business or financial nature.

X. CONTRACTS

A. Research Contracts Between Divisions

To avoid confusion when one division makes a contract with another division to carry out research, the former division shall appoint a coordinator from its staff who handles all matters pertaining to the project with the research department of the latter division.

B. Contracts With Employes Covering Confidential Matters and Inventions

This is covered in detail in Section G, *Security Guide.*

C. Contracts or Agreements for Barge Transactions

In instances where the company is to obligate itself to pay, either by lease or purchase, for transportation of raw materials or company products by barge, details of the transaction are to be submitted to the Board of Directors through the Executive and Finance Committees when they exceed $500,000 per transaction. Lesser amounts follow the rules for capital appropriations.

D. Sales Contracts

The Law Department must be furnished copies of all sales contracts entered into by the Hydrocarbons Division or by the Plastics Division which have an annual value in excess of $250,000. The director of the Law Department makes such contracts available, on request, to members of the Executive Committee and other general managers.

E. Contracts—General

The Law Department is responsible for giving counsel and advice to officers, committees, divisions and departments on contracts and agreements; it reviews and passes on basic and important company agreements and documents, participates in their development and maintains vault files for original executed copies of them. For further details, see "Law Department," page D-17.

XI. CORPORATE CONTRIBUTIONS AND MEMBERSHIPS

A. The Charitable Trust Fund

A trust fund was established in 1948 for the purpose of covering company contributions for charity, welfare and education. The Charitable Trust Fund is managed by a Board of Control, appointed by the Board of Directors. The Board of Control appoints the secretary of the trust. All requests with recommendations for contributions should be sent to Secretary, Monsanto Charitable Trust, St. Louis. Local United Funds are given principal consideration in making contributions from any plant or office location. Where the Red Cross is not included in a united drive, small contributions to the Red Cross are permissible with the understanding that should a disaster occur the Red Cross contributions will be increased.

A complete budget for the calendar year, listing specifically all contributions for charity, welfare and education for all locations, is submitted for approval to the Board of Control by the secretary, with the understanding that additional recommendations may be made during the year to the Board of Control for contributions which cannot be anticipated.

Checks drawn on this trust fund can originate only at St. Louis but may be sent to the general manager, plant manager or district office manager for presentation. Checks or credit cannot be issued by the trust to reimburse for a contribution already made. All checks issued by the trust must be made payable to a specific charity, welfare or educational organization. Contributions cannot be made to any political or labor organization. Contributions cannot be made to denominational groups when funds are to be used primarily for sectarian purposes.

As a matter of policy, commitments of no longer than one year are made; policy favors large contributions for times of special need rather than small contributions for annually recurring needs.

Contributions for the purchase of advertising in programs or publications cannot be considered. This fund is not intended to cover any memberships, subscriptions, direct advertising or contributions made as a business expense.

B. The Educational Fund

The Educational Fund, under the control of the Vice President of research, development, patents and basic engineering, receives money annually, based on a percentage of net sales or net profit as set by the Board of Directors. The fund is administered by a member of the Personnel & Administrative Services Department who acts as chairman of the Fellowship and Scholarship Committee. The Fellowship and Scholarship Committee advises on the distribution of money from the fund. Contributions for fellowships, scholarships and grants-in-aid are made from the Educational Fund. Requests should be addressed to the Secretary, Fellowship and Scholarship Committee, St. Louis. (Contributions for buildings, equipment and endowment to educational institutions are made from the Charitable Trust Fund.)

C. Contributions to Non-Charitable or Non-Educational Activities or Organizations

There are non-charitable and non-educational contributions of a corporate nature, i.e., they relate to activities of the company as a whole. These "corporate" contributions are handled by the secretary of the Charitable Trust; requests for such contributions should be forwarded to him. He seeks advice on these matters from company personnel best qualified to recommend action. Those pertaining to activities related to interests of the Policy Committee for Government Affairs are sent to the chairman of that committee for approval, and copies are sent to other members of the committee. If a contribution is indicated, he obtains authorizations as needed to make payment from corporate accounts. Contributions of this nature are not payable from the Charitable Trust Fund. No contributions are made for political purposes, or to political parties or candidates.

D. Corporate Memberships

Corporate memberships are memberships in organizations, neither charitable nor educational, performing services locally or nationally which directly or indirectly benefit the company as a whole. All requests for memberships to be paid out of corporate funds shall be funneled through the secretary of the Charitable Trust to avoid duplication or conflict and to provide a central source of information on corporate memberships. The secretary seeks advice on these matters from company personnel best qualified to recommend action. Those pertaining to activities related to interests of the Policy Committee for Government Affairs are sent to the chairman of that committee for approval, and copies are sent to other members of the committee. If membership is indicated, he obtains authorizations as needed to make payment. Corporate memberships are not payable from the Charitable Trust Fund. No contributions are made for political purposes, or to political parties or candidates.

XII. CORPORATE LONG-RANGE PLAN

Each division and staff department, on April 1 of each year, submits to Corporate Planning and Evaluation a five-year plan prepared in accordance with procedures outlined in *Long-Range Plan, Objectives and Procedures.*

XIII. DIRECTORSHIPS IN OTHER COMPANIES

Officers of the company shall not serve as directors of other industrial corporations, unless it is pursuant to an exception made by the Board of Directors in a particular case.

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XIV. DISASTER PLANS

A. Succession of Management Responsibility in Case of Emergency or Disaster

For the purpose of over-all company direction, in the event of an emergency or disaster incapacitating either the Chairman of the Board or the President, a replacement schedule has been established.

In the event of the incapacity of the Chairman of the Board, the first replacement shall be the President. Thereafter, responsibility shall be assumed by the senior member of the board, in point of service with the board. If all members of the board should become incapacitated, the responsibility shall devolve upon the senior general manager in point of service as a general manager.

In the case of the President, the first replacement shall be the Chairman of the Board; thereafter responsibility shall be assumed by the senior member of the Executive Committee in point of service on that committee. If none of these is available because of incapacity, responsibility devolves upon the senior general manager in the manner described above.

If two or more members of the board or of the Executive Committee or general managers have equal service in those positions, the one with the longest Monsanto service is the senior.

These plans are effective during the *immediate emergency only*. If the Chairman and the President become incapacitated, the senior board member assuming the chairmanship shall call a board meeting to elect a new Chairman and a new President. If a general manager assumes the Chairmanship, he shall call an emergency shareowners' meeting as promptly as possible to elect a new board.

B. Central Headquarters in a Disaster

In the event of a disaster affecting the central company headquarters, Oro Farm (near O'Fallon, Missouri) is designated as the assembly point pending selection of another headquarters location.

C. Disaster Plans at Company Locations

It shall be the responsibility of the division General Manager to provide for an effective disaster plan at each location under his supervision. These plans should follow the guides, insofar as practical, as set forth in the Plan of Organization for Protection of Company Units in Case of Emergency and Disaster.

Plans should be periodically checked to insure current workability. The General Offices Manager is responsible for the disaster plan at central headquarters. The Safety Section is responsible for advice and assistance on these plans and as a source of all information.

XV. DISTRIBUTION OF REPORTS

Monsanto's general policy with respect to distribution of periodic reports covering progress and developments of divisional and staff department activities is to maintain an optimum balance of security of confidential company information and good communications. Whereas the following outline of policies and practices is directed at improving this balance, it is recognized that effectiveness of security is largely dependent upon individual attitudes achieved through constant indoctrination of employes by supervisors at all levels of the company. It is important that each supervisor recognize this responsibility and include security in his day-to-day coaching and other training programs.

A. Policies

1. Distribution must be limited to maintain necessary security.

2. Practices for distribution within Monsanto apply also to distribution to the company's subsidiaries.

3. The criterion for distribution is need of information, not prestige or curiosity.

4. No one with real need must be deprived of necessary information.

5. Eventual destruction (with the exception of necessary records maintained in accordance with established practices) is as necessary as initial distribution.

B. PRACTICES

1. 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 wherever possible should be transmitted verbally, or by specific excerpts or properly censored copies. On the other hand, where this practice is not feasible for administrative reasons or because of conflicts in the interest of maintaining good communications, whole reports may be circulated within the immediate organization of the authorized recipient. In such instances, however, the authorized recipient remains responsible and accountable for security of the report and is expected to use utmost discretion in allowing it to be used by others. He is responsible for indoctrinating personnel under his jurisdiction in proper security practices.

2. All contractual agreements on reports shall be carried out as defined in the agreements.

3. Originating authors of reports are responsible for setting up a system of recording dates of issue, of their return, and of their destruction except in the case of research, engineering or development personnel where the department heads involved are responsible; originating authors maintain such files of their own reports as they deem necessary and keep them locked except when in use by personnel authorized to receive them.

4. All reports must be returned to the originating author within a maximum of two months after receipt, except for the following:

a. Overseas recipients need not return reports but are required to set up a similar system of restricted circulation and destruction for copies received by them.

b. The President and Assistant to the President will keep copies of reports addressed to them for a period of one year, following which they shall be destroyed.

c. Patent attorneys may retain in the files of the patent applications involved, Patent Department copies of those reports which contain information pertinent to patent applications, but only through agreement of the recipient and the issuing authority.

d. Technical reports on active projects may be extended for as long as the recipient is concerned with the project but only through agreement of the recipient and the issuing authority.

5. All reports must bear the official "confidential information" stamp.

C. General Managers' and Staff Department Directors' Reports

By the 15th day of each month each division general manager shall present a report of his unit's activities and developments for the preceding month.

Each staff department director shall present a report of his unit's activities and developments bi-monthly, except the Controller who is not required to file a report, and the director of the Purchasing & Traffic Department who shall file a report monthly. The Law, Medical and Treasury Departments shall submit their reports by the 15th day of the odd months and the other departments by the 15th day of the even months.

These reports shall be addressed to the President and carry a listing of persons receiving copies who are outside of the division or staff department originating the report. A schedule of personnel authorized to receive copies of these reports is contained in a directive from the President's office titled *Policies and Practices for the Distribution of Reports;* general managers and staff department directors have the authority to distribute copies of their respective reports beyond this schedule but they shall be held responsible and accountable for maintaining required security.

D. Technical Reports

Technical reports covering specific research, engineering or development projects are made periodically by the technical personnel assigned to the projects. These reports include formal, numbered interim and final project reports; progress reports; special reports such as Engineering Coordination Reports, etc.; monthly and annual summary reports from research, development and engineering departments. Each report shows, in addition to the addressee, the list of persons who receive a copy. A schedule of personnel authorized to receive copies of the various reports is contained in a directive from the President's office titled *Policies and Practices for the Distribution of Reports.*

A file of all technical reports is kept by Central Technical Files, a section of the Research & Engineering Division. A copy of each domestic technical report is sent directly to Central Technical Files by the author; the general manager of the Research & Engineering Division forwards his copy of technical reports from overseas subsidiaries to Central Technical Files.

Central Technical Files distributes coded, cross-referenced index cards on formal project reports to persons authorized to receive them. The Central Technical Files and their index are open only to those authorized by general managers, research directors, development directors and the Vice President of research, development, patents and basic engineering.

Distribution of technical reports to Monsanto Chemicals Limited (MCL), Monsanto Canada Limited (MOCAN) and Monsanto Chemicals (Australia) Limited (MCAL) follow special rules:

1. Research, development and engineering monthly summary reports, properly censored by the issuing division according to Technical Information Exchange (TIE) procedure, are sent to the

director of research, Overseas Division, for transmittal to MCL, MOCAN and MCAL.

2. Research job titles on projects of mutual interest are exchanged between domestic laboratories and these foreign subsidiaries.

3. Research monthly job progress reports on non-common as well as common products may be exchanged between laboratories by agreement of the directors of research concerned.

XVI. DISTRICT SALES OFFICE OPERATIONS

In district offices where more than one division is represented, a single division is assigned the office management responsibilities. Selection of the division is made by mutual agreement of the directors of field operations of the participating divisions with the approval of the Vice President of marketing.

Wherever possible in a given city or town, multiple district offices will be in a single location.

Each district sales manager reports to his divisional director of marketing or his deputy.

The division assigned responsibility for office management in a multi-division district office (or the person so designated in a district office which represents a single division) is responsible for all details of office management and broad company policy affecting all personnel domiciled in that office. The person designated for this responsibility reports to his district sales manager for the conduct of his sales work; in addition, he receives direction from and is responsible to the Vice President of marketing on matters of general policy and procedure relating to office management.

The contact of field personnel is exclusively with and through the divisional district managers (except as provided below) who are responsible to their respective directors of sales for all sales activities.

Sales development and technical service personnel, when in a district office territory, shall inform the district manager of the division with whose field personnel they may be working of their presence in the territory and the contacts they propose to make in order that he will be officially informed of activity within his area.

XVII. FIA INSURANCE CLAIMS

As a matter of policy, no insurance claims are filed with Factory Insurance Association for losses of less than $25,000 each. Losses of less than $25,000 are absorbed by the divisions as expense. If a claim is above $25,000, say $50,000, a claim should be put in for the entire amount and the abovementioned $25,000 should not be deducted from such.

XVIII. FELLOWSHIPS AND SCHOLARSHIPS

The company maintains and finances a number of fellowships and scholarships at well known universities. The institution is entirely free to choose the recipient as well as the course of study. For additional information, see "The Educational Fund," page E-14.

XIX. FLAG, THE AMERICAN

The American flag is the symbol of our nation and of our national spirit, and cannot be considered an instrument of local preference. It should be half-staffed at company locations only in cases where it is appropriate to indicate that the nation is in mourning, and then customarily by proclamation of the President of the United States.

XX. GOVERNMENT BUSINESS

A. Government Business

The following govern Monsanto's business relations with government agencies:

1. Sales of Regular Products

Sales to the Government of products regularly manufactured by Monsanto are handled as normal divisional matters.

2. Production of Special Products in Existing Plants

If production of products not regularly of Monsanto manufacture can be handled without difficulty in existing plants, the decision to proceed shall be made by the division concerned and the general manager shall so advise the Executive Committee.

3. Business Involving Construction of New Plant

If the proposed business involves a present or related product, or one which fits the company's economy and has civilian uses in addition to those of the Government, yet cannot be handled without the construction of new facilities, then the division concerned shall handle it like any other new capital project.

4. Construction of Plants for the Government

If the business involves a product for which the Government is the only foreseeable customer, and for which a new plant must be built at Government expense, either for operation by Monsanto or by the Government, the general manager concerned advises the Executive Committee of the circumstances and gives his recommendations.

5. 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.

B. Notification to the Washington Office

The Washington Office shall be notified promptly when Government business is accepted or rejected (together with reasons for rejection) and shall be kept advised on the status of important negotiations in progress.

XXI. INTERDIVISION SALES COMMISSIONS

In some cases the sale of a product manufactured by one division is assigned by the Executive Committee 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 pricing 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.

XXII. JOINT VENTURES—POLICY

Monsanto's policy is to enter into joint projects with others 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 effect will provide greater return and growth for Monsanto than if Monsanto acted alone, or than if Monsanto took no action because it 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; 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.

XXIII. LEASES

A. Leasing of a Facility:

1. The capital value of which can be determined readily, or

2. The capital value of which is in excess of $100,000, or

3. Which commits Monsanto to a predetermined amount of capital payment to the lessor, or

4. Which cannot be cancelled on up to two years' notice,

requires inclusion of the capital value of the facility in the division investment for purposes of determining divisional rates of return. Approval of such lease agreements requires Executive Committee action if the capital value is $500,000 or less; above $500,000, approval of the Board of Directors is required.

B. Projects involving decisions to lease or buy shall be reviewed by the Treasury Department and by the Vice President of finance and law before they are submitted to the Executive Committee or Board of Directors.

XXIV. MANAGEMENT GUIDE DISTRIBUTION POLICY

The *Management Guide* is distributed to all salaried personnel who have appreciable management or supervisory responsibilities; all other employes, however, may have access to the *Management Guide* through their supervisors.

Distribution control is through job classifications. An approved job classification list is held by the Public Relations Department. Employes may also consult the offices of divisional personnel directors or staff department directors.

Distribution and revisions are handled by the Public Relations Department for the Assistant to the President in cooperation with divisional personnel directors and staff department directors.

Requests for *Management Guides* to individuals who do not qualify for a copy under the distribution policy must be directed to the Assistant to the President. All requests for issuance of *Management Guides* are made on form IN 132.

XXV. MERCHANDISING TO THE CONSUMER

Monsanto will remain alert to the opportunities of merchandising chemical and plastics or specialty products directly to the consumer and may, in the future, develop an aggressive approach to such activities, depending upon circumstances.

Each opportunity will be explored on a case-by-case basis taking into consideration the following factors:

A. Degree and effect of competition with customers;

B. Ability to maintain a strong patent position;

C. Opportunity to provide better growth and profit for the company;

D. Protection of capital investment;

E. Opportunity to circumvent an unsatisfactory marketing situation;

F. Opportunity to provide a large captive market for Monsanto products.

XXVI. ORGANIZATION CHANGES AND NEW TITLES

It is recognized that organization structures of divisions and staff departments and use of titles must vary to some extent to reflect the individual functions of the units of the company, but uniformity is desirable wherever possible. Furthermore, proposed changes in structure may at times be in conflict with long-range corporate plans and programs.

For these reasons, proposed organization changes and new titles, at or above plant manager level in divisions and section manager level in staff departments, must be approved by the Vice President, Organization and Personnel, before they may be put into effect. Review by the director or, in his absence, the assistant director of Personnel & Administrative Services Department is required before the proposals may be submitted to the Vice President.

Similarly, organization changes and new titles at lower levels may, at the discretion of general managers and staff department directors, be submitted for review and approval.

XXVII. OVERSEAS OPERATIONS

A. Investment and Technology Sales Abroad

All invested capital outside the continental United States of America, except that related to the search for oil reserves, is assigned to the Overseas Division and all such future expansion shall be so assigned. Invested capital pertaining to the exploration for oil reserves is assigned to the Hydrocarbons Division. All dividends from investments assigned to the Overseas Division are retained by it but all royalty income and the proceeds of lump-sum sales of know-how for cash or shares are assigned to the division which supplied the know-how.

Working cash, customer notes and accounts receivable, intercompany accounts receivable, inventories of consigned stock and similar items resulting from export sales shall be assigned to the appropriate divisions.

Projects for new or additional investments outside the U. S. A. are handled by the Overseas Division with the Executive Committee in the same manner as appropriation requests.

Sales of technology or services abroad are handled by the Overseas Division. The principal points of agreement and final contracts must be approved by the Vice President of research, development, patents and basic engineering and the Vice President of marketing, and must be reviewed with the Law Department, the Patent Department and, when taxes are a consideration, the Treasury Department before final action is taken.

With respect to present foreign investments, Monsanto will continue to support the expansion of individual companies now in existence in which Monsanto has an interest. In general, such expansion should be accomplished with the financial resources of the companies in question although this should not be a limiting factor if profitable opportunities are presented.

In making future foreign investments, no one method of securing equity will be used preferentially over other methods, but rather all of the following will be used to the best possible advantage:

1. Sale of know-how or patents;
2. Use of cash;
3. Use of manufacturing, management and sales techniques;
4. Use of incremental production;
5. Use of idle domestic equipment.

Overseas companies in which Monsanto has an interest report to the parent company through the general manager of the Overseas Division, except those companies engaged in oil prospecting abroad which report to the general manager of the Hydrocarbons Division.

B. Export Sales

Export sales are sales of products from domestic Monsanto production to areas outside the continental limits of the United States. Such sales provide profit opportunities by:

1. Maintaining Monsanto's international reputation as a reliable source of chemicals and plastics;

2. Offering an offset to seasonal domestic demand;

3. Preselling markets in advance of possible local foreign manufacture;

4. Providing outlets for products for which Monsanto has unusual plant capacity in excess of domestic requirements.

Established export trade markets are protected by allocation of domestic capacity on a product-by-product basis on terms negotiated between the Overseas Division and the operating division concerned. Commitments to overseas customers shall be honored to the same extent as commitments to domestic customers.

Prices for foreign sales are determined by agreement with the domestic producing divisions. Profits are credited to the domestic divisions on the basis of goods supplied after deduction of applicable expenses.

XXVIII. PERSONNEL POLICIES

The company has established certain basic personnel policies, among which are:

A. Compensation and Employe Benefits

Fairly compensate employes to reward achievement and recognize potential, and in addition, provide optimum employe benefits.

B. Employment

Recruit and select employes of high ability, character and potential and place them in work assignments which maximize the use of their talents and provide them opportunity for development and advancement.

C. Labor Relations

Recognize the right of employes, under federal and state laws, to join or refrain from joining a labor union. Where employes freely vote to join a labor union, in a National Labor Relations Board election, the company shall recognize the duly certified collective bargaining agent.

D. Personnel Development

Extend to each employe the opportunity to develop fully his individual capabilities, both to excel in present performance and to increase his potential.

E. Safety and Fire Protection

Provide each employe with a safe and healthful place in which to work; make every reasonable effort in the interest of accident prevention, fire protection and health preservation.

XXIX. PLANT INSPECTIONS

A. Purpose

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

B. Committees

For inspection purposes, plants are divided on a geographical basis into three groups (Eastern, Midwestern & Southern, and Western). An inspection committee, to serve only for the duration of the inspection tour, is appointed by the President for each group of plants. Each committee consists of three men, chosen from levels of management as follows: chairman—director of manufacturing or higher; two others—plant manager, assistant plant manager or personnel at approximately similar level in general staff or divisional departments. In order to provide continuity of inspection and to establish a basis for judging plant improvement, one of the members other than the chairman is a hold-over from the previous inspection committee.

A detailed outline of procedure for plant inspections may be obtained from the Personnel & Administrative Services Department.

XXX. PLANT SITES—INVESTMENT POLICY

To correct any tendency for divisions to purchase small acreage for new plant sites and to provide an incentive to divisions to use excess acreage at those already existing, investment in plant sites shall be distributed to the divisions on the following basis:

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

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

Implementation of this policy and the decision as to which plants shall operate under it are the responsibility of the Vice President of manufacturing and division engineering.

XXXI. PLANT SITES—JOINT OCCUPANCY

It is the company's policy that each plant site shall be administered by one division, but other divisions are encouraged to own facilities and carry out manufacturing operations at the same site. Arrangements for such joint operations are made on a case-by-case basis by the general managers concerned, subject to approval of the President.

Superintendents of a guest division at a plant site administered by another division are employes of, and subject to, the orders of the guest division but must conform to local ground rules.

XXXII. PUBLIC RELATIONS OBJECTIVES AND POLICY

A. Objectives

The objectives of Monsanto's Public Relations Department are to assist all sections of the company in fostering a better business climate in their areas of operation through adherence to the Business Principles of Monsanto Chemical Company and through communications, to help in bringing about:

1. Improvement of Monsanto's reputation of excellence in *research* and *engineering* as well as promoting the company's favorable environment for creative scientific personnel.

2. Improvement of the company's marketing efforts through increased product publicity, better customer relations and more effective product, company and industry identification.

3. Improvement of *manufacturing* conditions through better employe, supplier and community relations.

4. Improvement of the department's services to top management to focus more clearly the image of Monsanto as an excellently administered company, highly attractive to investors and worthy of patronage from the public, industry and government.

5. Improvement of the department's services to all other departments and divisions to increase the effectiveness and efficiency of their functions and to fulfill to the optimum the purposes of their responsibilities.

B. Policy

The relationships of the company with its employes, its shareowners, its customers and suppliers and with other major audiences including the general public, are the concern of every employe. The total impression made by Monsanto in any or all of these areas is directly related to the individual impressions made by individual employes cumulatively.

Advice and assistance in the planning, development and execution of communications to such audiences, as well as in establishing methods for listening to what such audiences have to say about Monsanto, are the principal functions of the Public Relations Department.

It is Monsanto's policy to be forthright in its communications with its principal audiences, furnishing accurate and prompt information about its activities, assuming such information is not confidential or competitive in nature, and assuming it is cleared by proper administrative or supervisory personnel who have the basic responsibility to determine what information should be released.

It is Monsanto's policy to make every effort to cooperate with newspapers, magazines, trade and business publications, radio and TV stations and other general media.

1. Information Initiated by Monsanto to the Press

The gathering or assigning, writing, clearing and distribution of all such information is the responsibility of the Public Relations Department staff and is to be released only by this group.

2. Queries Which Come from the Press to Monsanto

Such queries shall be funneled to and handled by the Public Relations Department, which has the responsibility of obtaining information and clearance from pertinent divisions and departments of the company.

Queries of a local nature directed to division or plant personnel by local media can be answered without the assistance of the Public Relations Department. However, wherever possible, Public Relations should be consulted first. And, in all instances, Public Relations should be advised as soon as practicable as to the contents of the statements.

C. Community Press Relations

All plant managers shall 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 the officers 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.

D. Emergency Press Coverage

Each plant or identifiable unit of the company shall be prepared to work with representatives of the local press in accordance with the *Emergency Press Manual* of the Public Relations Department.

In the event of any serious accident, explosion, fire, labor disturbance or other major event, a plant manager shall immediately notify his division general manager who shall call the President or a member of the Public Relations Department whether it is day or night, weekend or holiday, so that headquarters may be fully informed. In the event a plant manager is unable to reach his division general manager immediately, he shall call the director or the assistant director of the Public Relations Department.

XXXIII. PURCHASING POLICY—COMPETITIVE BIDDING

The policy of the company is to make purchases by obtaining competitive bids. However, this policy does not apply in cases where the competitive bidding system would not serve the best interests of the company. Exceptions to the policy might occur when specialized equipment, patented or proprietary items, previous performance, and other considerations are involved.

Bidding information must be kept strictly confidential.

XXXIV. SALE OF KNOW-HOW

A. General

Know-how on chemical processes or operating technology is a company asset. It is not to be regarded as available for sale or transfer to outsiders except upon specific authorization by the Executive Committee or Vice President of research, development, patents and basic engineering (see page D-4) or advance blanket authorization in the case of certain standard processes such as those which are presently being offered on a routine basis by the engineering sales department.

B. Sale of Technical Know-How Overseas

Sale of technical know-how in areas outside the continental United States, which can readily be acquired also from other companies or individuals, is looked upon more favorably than the sale of know-how which is unique to Monsanto. However, as a matter of operating policy, all requests for sale of technical know-how are explored on a case-by-case basis with the objective of consummation of those arrangements which will provide optimum return to shareowners. Divisions are under no compulsion to license know-how in overseas markets unless it is clearly evident that such action will provide long-run optimum benefit to shareowners.

C. Sale of Processes

Monsanto designs, sells and builds, through authorized engineering and construction companies, the following types of plant and equipment:

Sulfuric acid and sulfuric acid catalyst;
Electrolytic chlorine and caustic soda or potash;
Electrolytic sodium sulfide;
Electrolysis of by-product hydrochloric acid for chlorine recovery;
Water electrolysis;
Wet process phosphoric acid;
Phosphorus burning units;
Sulfur burning units for high concentration of SO_2;
Brink Mist Eliminator for elimination of atmospheric pollution.

If an adequate return is indicated, it is Monsanto policy to design and sell additional processes.

D. Sale of Mechanical Innovations

Whether to license and disclose or to maintain know-how monopoly of mechanical innovations is decided on a case-by-case basis.

XXXV. SECURITY OF CLASSIFIED GOVERNMENT INFORMATION

To permit participation in classified government business, Monsanto is required by the Department of Defense to provide and maintain a system of controls for safeguarding information that is received or generated internally on classified government projects.

The organization that has been established for maintaining required security procedures is shown in the Security Organization Chart, included in the Organization Chart section of this manual. This security organization scheme provides for the appointment of an individual (called a "facility security officer") at each location involved in handling classified data, who is responsible for the maintenance of controls described by the system outlined in the *Standard Practice Procedure for Safeguarding Classified Information* manual. Copies may be obtained when needed from the local facility security officer.

The general policy of obtaining government clearances for individuals to see classified data is to restrict the number to only those who have a "need to know." The determination of whether an individual of the company has a "need to know" shall be made, and stated in writing, by an administrative officer of the company or the division general manager who controls the facility in question—except that all officers of the company are automatically required to have clearance at a level equal to the highest degree of classified matter received or held by the company which, in the case of Monsanto, is "top secret."

Problems involving security matters are handled directly with the local facility security officer, whenever possible. The corporate security officer or his assistant shall be contacted if the local facility officer is not available or if the problem in question falls outside the jurisdiction of the facility security officer.

XXXVI. SECURITY OF COMPANY INFORMATION

The profitability of company operations and the welfare of all employes and shareowners, as well as the development of new products, formulae, processes and equipment have resulted from the diligence and intelligence of Monsanto employes over the years. The company has spent enormous funds in developing confidential information and trade secrets in order successfully to compete and to progress in a highly competitive industry. Revelations of information of this character, innocently or deliberately, represent an irreparable loss to the company and endanger the position of all employes. Each employe is responsible for preserving the company's trade secrets and confidential information.

Each general manager and each staff department director shall, throughout his organization, make certain that trade secrets and information of a sensitive nature to Monsanto receive the protection deserved. Release of company information outside Monsanto must have prior clearance in accordance with *Security Guide.*

Further security procedures are described in detail in the *Security Guide,* Section G, this manual.

XXXVII. SHAREOWNER RELATIONS

A. Reports to Shareowners

The Chairman of the Board or, by his delegation the President, sends to shareowners shortly after the end of the first, second and third quarters, statements of the earnings and financial status of the company. Shortly after the close of each calendar year, he reports to the shareowners on the year's activities, earnings and financial status.

B. Visits by Shareowners

Shareowners who may visit plants or offices are to be well received and accorded privileges to which they are entitled as owners of the company, provided they are properly identified and are not associated with competitive organizations or technically trained to an extent that classified processes and other operations should not be revealed to them.

C. Correspondence with Shareowners

The company centralizes relations with shareowners through the Controller who has the responsibility for the company's dealings with security analysts and, additionally, is the focal point for all company communications with shareowners except for such corporate matters as are the responsibility of the Secretary, President, or Chairman of the Board.

XXXVIII. TRADEMARKS

A. Monsanto's trademarks (brands) are among its most valuable assets but, like many other intangible assets, can be lost or dissipated if carelessly or improperly handled and used.

The word *Monsanto* and *Monsanto Block M* are Monsanto's most important trademarks. Proper use of these trademarks, as well as all of Monsanto's other trademarks, is important; and their use must be checked by and cleared with the Patent Department. The Patent Department has sole responsibility for protecting the company's trademarks.

Most of Monsanto's trademarks are registered in the U. S. Patent Office, as well as in most of the major countries of the world. However, protection of trademarks does not end with registration or policing infringment. Acts of omission as well as commission in the company's own use of its trademarks can cause them to become null and void.

B. Guide for proper use of trademarks

1. Things to do in using trademarks:

a. Distinguish the trademarks by at least capitalizing the first letter of the trademark. In addition, it is advisable to add quotation marks, use all capital letters or italics.

b. Designate the trademarks as Monsanto's trademarks.

c. Link the trademark with the generic term for the product. For example, write *Actamer* bithionol, *Skydrol* hydraulic fluids, *Aroclor* polychlorinated polyphenyls.

2. Things to avoid in using trademarks:

a. Avoid use of "Monsanto" as the name of a town, place, street, post office address, or other geographical location. Such a practice can cause the word "Monsanto" to become available for use by others as part of their trade name, such as "Monsanto Pipe Company," or result in others referring to their chemical products as coming from Monsanto, Tennessee, for example.

b. Avoid use of trademarks in the possessive:
Use—"The power of *Actamer* to degerm skin . . ."
Not—"*Actamer's* power to degerm skin . . ."

c. Avoid use of trademarks in the plural form:
Use—"*Aroclor* chlorinated polyphenyls are used for . . ."
Not—"*Aroclors* are used for . . ."

d. Avoid use of trademarks as a verb:
Use—"This soap contains *Actamer* for extra safety."
Not—"This soap is *Actamerized* for extra safety."

Improper use of the company's trademarks may cause their loss, as in the cases of cellophane, milk of magnesia, shredded wheat or aspirin (in the U.S.)—once all trademarks, now generic terms available for use by all.

Trademarks require constant care and protection and to assist in answering questions on trademarks, the Patent Department maintains a *Trademark Digest* of all the company's trademarks and has available a *Guide* pamphlet which shows how the *Monsanto Block M* trademark should and shouldn't be used. All questions pertaining to the company's existing or proposed trademarks must be directed to the Patent Department.

XXXIX. TRANSFER OF PRODUCTS BETWEEN DIVISIONS

The principles established by the Executive Committee covering transfer of products between manufacturing divisions are as follows:

A. General Policy

It is the company's intent to encourage interdivision use of the company's products. To this end, the product of one manufacturing division used by another manufacturing division shall be transferred to the receiving division at actual production cost, f.o.b. the producing division's plant. Also, the receiving division shall be charged with a pro-rata share, based on pounds, of the producing division's investment in production facilities for the product transferred.

B. Application of General Policy

When a division needs a product manufactured by another division, the two divisions shall negotiate an annual quantity of product which the receiving division shall be entitled to receive. During the period of such agreement, should the producing division be unable to manufacture at capacity for any reason such as raw material shortages, process failure, etc., the receiving division shall bear its pro-rata share of the shortage based on the ratio of agreed-on quantity to capacity. If it should become necessary to purchase outside the company a quantity of the product to satisfy the needs of the producing and receiving divisions, the excess of purchase cost over manufactured cost shall be borne by both divisions in pro-rata share based on total product (manufactured plus purchased) actually taken by each division. The producing division has responsibility for making outside purchases.

Whatever quantity of a manufactured product is taken by the receiving division shall be charged to that division at actual per-pound unit cost based on the total production of the producing division. Actual unit cost shall be on a year-to-date basis. Start-up expense of new plants, expansions, etc., is to be included in actual cost.

Should the receiving division take less than the agreed-on quantity, the remainder shall be sold as far as possible by the producing division. All sales income from such sale shall be credited to the producing division.

The receiving division shall be allocated a pro-rata share of the producing division's investment in manufacturing facilities of the product, based on the quantity actually taken by the receiving division. Since return-on-investment computations are made on period-end investment, allocations to the receiving division should be revised at intervals necessary to reflect the actual quantity of product taken on a year-to-date basis.

The receiving division shall be allocated its pro-rata share, based on pounds actually taken, of current research and engineering expense applied by the producing division to the product transferred and its major intermediates. Such allocations should appear as a line item in the receiving division's budgets, and the producing division shall provide the receiving division with all information necessary for usual budget preparation and control. Expenses incurred prior to the transfer agreement will not be charged to the receiving division. By agreement between divisions, however, one division may perform technical work for another division, i.e., product or process development, for which the performing division is reimbursed by the requesting division.

Inasmuch as a receiving division shares technical expenses of products transferred at cost, it shall receive a pro-rata share of any royalties earned by the product.

A receiving division which takes a significant portion of another division's product at cost and investment shall have the right to request expansion of capacity of the product; however, the producing division must join in such a request. The producing division shall have the responsibility for expanding the plant.

In the development of new projects which involve interdivision transfers, the developing division shall, at the earliest time possible, review the contemplated project with the person responsible for administering transfer policy to determine a method of interdivision transfer that is to the best interest of the company and that demonstrates the true economics of the project.

C. Modification of General Policy

It is recognized that no single transfer policy will automatically or universally assure that all interdivision situations are resolved to the best interest of the company; therefore, certain exceptions to the rule of transfer at cost and investment are permissible, as follows:

1. If for any reason it appears to either division in the negotiations for a share of product that, because of unusual circumstances, a transfer at cost and investment does not operate in the best interests of the company on an over-all basis, such negotiations and attendant facts shall be brought to the person responsible for administering transfer policy.

2. In the interest of expediency, miscellaneous products transferred among divisions in minor amounts may be transferred at a negotiated selling price. This is not to imply that there is any quantity limitation to the cost and investment rule. Also, where interdivision materials are produced in a complex of multi-purpose equipment, such products may be transferred at a negotiated selling price if (a) economics of the end product are not jeopardized and (b) both divisions are in agreement. If conditions (a) and (b) are not met, the product shall be transferred at cost and investment.

3. Products of the Production and Exploration Department of the Hydrocarbons Division shall be transferred at market selling price.

D. Administration and Implementation of Policy

Administration and implementation of policy pertaining to interdivision transfer of products are assigned to the assistant controller responsible for budgets. He shall resolve all questions, disagreements or other matters under this policy. He shall keep the Executive Committee fully informed on all significant interdivision transfer agreements.

Established policy in this matter shall remain in effect throughout any one calendar year. At year's end it is reviewed by the Executive Committee to make any appropriate revisions.

XL. TRANSFER OF RESEARCH PROJECTS FROM RESEARCH & ENGINEERING DIVISION TO A MANUFACTURING DIVISION

When a project is transferred from Research & Engineering Division to a manufacturing division, a written "turnover report" is made by Research & Engineering Division and is accepted by the general manager of the receiving division. This report, which includes an estimated timetable for major steps in future development of the project, is transmitted to the Executive Committee via the Vice President of research, development, patents and basic engineering.

The Vice President of research, development, patents and basic engineering shall review with the Executive Committee at least annually the status of projects transferred from Research & Engineering Division to a manufacturing division, until such projects are dropped or reach commercialization.

XLI. TRAVEL POLICY

The company provides additional insurance coverage for those employes who are required to travel on authorized company business outside their regular place of employment. See Travel Accident Insurance, page F-19.

A. Automobiles

1. Leasing of Cars

Monsanto follows a policy of leasing cars and trucks instead of owning them.

2. Automobile Usage

Whenever possible, company automobiles are used on regular company business. The term "company automobiles" includes automobiles owned by the company, leased by the company or rented by the company for any period of time.

When employes are driving company automobiles on company business, the company and such employes are protected by the company's insurance against damage claims for injury or damage to the person and property of third parties.

When a company automobile has been assigned to an employe for regular use on company business, it is understood that the employe and members of his family have permission to use the automobile on personal business for a reasonable time unless the employe has received specific notice to the contrary. When the car is used with this permission, the company and the driver are protected by the company's insurance against damage claims for injury or damage to the person and property of a third party.

In certain cases employes may be allowed to use company automobiles on extended personal trips. Permission for such use must be previously obtained from the director of marketing, district manager, division general manager or staff department director, or those to whom they may delegate this authority. Under these circumstances the employe is charged eight cents a mile and the company pays all costs of operating and maintaining the car, including insurance which protects the company and the employe against damage claims for injury or damage to the person and property of third parties.

The company does not carry fire, theft or collision insurance on licensed motor vehicles; consequently, the company is responsible for loss of or damage to a company automobile when the car is being driven on company or personal business as outlined above.

When employe-owned cars must be used, an allowance of eight cents a mile is paid. This mileage fee covers not only operating costs but also all other costs including all types of insurance to protect the individual and his automobile. By payment of this fee, the company discharges all of its obligations to the employe for its use of his automobile.

When an employe uses his own automobile on company business, the company is protected by its insurance against damage claims for injury or damage to the person and property of third parties, but in such cases the employe is not protected by the company's insurance. The employe should procure insurance if he wishes to be protected against claim for injury to the person or property of third parties or for damage to his own automobile.

B. Airplanes

1. Restrictions on Travel

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 airplane:

Members of the Executive Committee
General Managers

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

Directors of engineering

Directors of manufacturing

Directors of marketing

Directors of research

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

2. Domestic Air Travel

For domestic air travel Monsanto personnel on business of the company will use tourist class instead of first class. Tourist class is to be used when a flight, at the time of desired departure, carries tourist class, and when such accommodations are available.

3. Overseas Air Travel

The use of airplanes for transoceanic travel is favored on company business. For trips overseas, economy class will be used. In view of the wide choice of flights, the high proportion of jet planes and the longer length of time usually available for the planning of overseas trips, little difficulty in securing economy class accommodations should be expected.

4. Company Aircraft

Company aircraft allocated to operating divisions are reserved primarily for sales department use with customers.

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

The following time limitations are established for the company pilots:

On-duty time—12 hours in any 24-hour period

Flying time—8 hours in any 24-hour period

Insurance in the amount of $75,000 is provided for employes and guests traveling on company aircraft.

XLII. UNSOLICITED SUGGESTIONS FROM OUTSIDERS

The company receives, from time to time, letters disclosing or asking permission to disclose inventions, advertising themes, slogans and the like which the writer hopes may be of value to the company in its business.

There is danger in accepting or discussing such suggestions from outsiders inasmuch as similar ideas or suggestions may already be under development in the laboratories, plants or the Marketing Services or Public Relations Departments and, when adopted later, may give rise to the belief of an outsider that such development was based on his suggestion.

To avoid such controversies, letters pertaining to new products or processes shall be referred immediately to the research director of the division involved, or if not obviously a divisional matter, to the development director of the Research & Engineering Division at St. Louis, who shall reply after consulting with the resident patent attorney.

Letters pertaining to advertising themes, slogans, trademarks and the like shall be referred immediately to the director of the Marketing Services Department, who shall reply after consulting with the Patent Department.

F—Personnel Policies and Procedures

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SECTION F

PERSONNEL POLICIES AND PROCEDURES

PERSONNEL POLICIES AND PROCEDURES

Monsanto personnel policies apply to Monsanto personnel whether paid directly or under a contract with an agency of the U.S. Government.

I. BENEFITS

A. Cafeterias for Employes

The company provides cafeterias for employes at many of its locations. Food and service are provided at the lowest possible cost. These cafeterias 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. Death Payments

1. Death in Line of Duty

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

2. Salary Continuance in Case of Death

In the case of death of a salaried employe, his regular salary is continued for the pay period in which the death occurred, plus one additional check for the next pay period.

C. Holidays, Salaried Personnel

Eight holidays are observed each year, except where additional holidays are indicated by state law.

If a holiday falls on Sunday, it is observed on Monday. At those locations which observe no more than eight holidays, a holiday falling on Saturday is observed on Friday.

Complete information on this subject may be obtained from *Personnel Administration Bulletin III.*

D. Insurance

Group life, accident, medical and hospital insurance is provided. Details of such insurance are set forth in booklets available locally and in *Personnel Administration Bulletin I.*

E. John and Olga Queeny Educational Foundation

To help employes continue their education or that of their children, the John and Olga Queeny Educational Foundation was established by Edgar M. Queeny and his sister, Mrs. Thomas P. Berington, as a memorial to their father, John F. Queeny, Monsanto's founder, and their mother, whose maiden name the company bears.

While this is not a company project, loans from this fund may be made only to Monsanto employes and their children to enable them to obtain education in the natural sciences. Application should be made to the Vice President of finance and law.

Details concerning this foundation are contained in the booklet entitled *John and Olga Queeny Educational Foundation* which may be obtained from the Personnel & Administrative Services Department.

F. Leaves of Absence

1. Salaried Employes

a. Military Service

Leaves of absence for both active military service and military reserve training are provided. The policy is covered in detail in *Personnel Administration Bulletin X*.

b. Urgent Personal Business

Leaves of absence with pay for urgent personal business (such as illness in immediate family) may be granted salaried personnel on approval of division general managers or staff department directors for short periods of time only where circumstances warrant. Such absences are not considered as time worked for purposes of computing overtime.

c. Jury Service

The company encourages employes to perform jury service and it is hoped that each employe will respond to this civic obligation when summoned. If special reasons make a postponement of service preferable, arrangements sometimes may be made for service at a later date. However, the company in no event lends aid toward getting summons cancelled.

Full salary is paid while on jury duty and it is considered an approved absence for purposes of computing overtime for non-exempt employes.

d. Death in Family

Full salary is paid during approved absence from duty when such absence is caused by death and attendance at the funeral of a wife, husband, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law or sister-in-law. The number of days is left to the discretion of the general manager or staff department director. Approved absences due to death in family are considered as time worked in computing overtime.

e. Illness

See section on sickness and disability payments, page F-5. Approved absences due to illness are considered as time worked in computing overtime.

f. Attendance at Technical Meetings

Selected scientific and technical employes who attend technical conferences are paid their salaries and reimbursed for travel expenses. Travel expense is on the same basis as defined under "Official Travel," page F-18. Technical employes who are not selected but who desire to attend technical conferences are paid their salaries only, upon approval of their attendance by their division general manager or staff department director.

g. Leaves of Absence Without Pay

Unpaid leaves of absence without loss of benefits rights, are permitted with the approval of division general managers or staff department directors to meet certain personal situations, for government service, for attendance at universities and for emergencies.

Monsanto looks with favor upon an employe's participation in government through elective office. Wherever possible, a division general manager or staff department director may adjust work schedules, vacation periods and other similar matters in order to accommodate the elected individual even at some inconvenience to the company. No employe shall lose benefits rights by accepting a public position under a company-approved leave of absence.

2. Hourly Employes

a. Military Service

Leaves of absence for both active military service and military reserve training are provided. The policy is covered in detail in *Personnel Administration Bulletin X.*

If it does not interfere with operation or with relations with a union, the plant manager may, at his discretion, arrange shift changes for personnel, if they so request, to permit them to participate in any established night drill practice carried on by the National Guard.

b. Death in the Family

Full wages up to three days are paid during approved absence from duty when such absence is caused by the death and attendance at the funeral of a wife, husband, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law or sister-in-law. These days or hours voluntarily granted by the company are not considered as days worked in computing overtime.

c. Jury Service

The company encourages employes to perform jury service and it is hoped that each employe will respond to this civic obligation when summoned. If special reasons make a postponement of service preferable, arrangements sometimes may be made for service at a later date. However, the company in no event lends aid toward getting a summons cancelled.

To avoid financial hardship while on jury duty, the company pays the difference between jury fees and an employe's regular rate of earnings. The days or hours absent are not considered in computing overtime.

d. Leaves of Absence Without Pay

Unpaid leaves of absence are permitted with the approval of the division general manager or staff department director to meet certain personal situations and emergencies.

G. Pension Plans

The company provides two pension programs, the Salaried Employes Pension Plan and the Hourly-Paid Employes Pension Plan. The details of the pension programs are described in booklets available locally.

There is a pension representative in each division and at plant locations. Applications may be made through him or directly to the payroll and pension section of the Accounting Department in St. Louis.

The Monsanto pension plans are administered by the Retirement Plan Committee. This committee is appointed by, is responsible to and operates under the authority of the Board of Directors.

For the most part, the committee's rules and regulations are the various provisions of the pension plans which are set forth in the booklets mentioned above. It is the purpose of this committee to:

1. Administer the Retirement Plans for both salaried and hourly employes.

2. Assure the adequacy of the company's trust funds under both salaried and hourly plans through yearly determination of liability by competent actuaries.

3. Approve all retirements and payments of pensions under the plans.

4. Examine all facts in cases of total and permanent disability.

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

6. Formulate any necessary or advisable amendments to pension plans and present them to the Executive Committee for its consideration and approval.

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

8. Review and approve each month any deferments of employes who qualify and apply to work beyond age 65.

9. If, when an employe retires, the division for which he worked decides that it will be necessary to retain his services on a retainer-fee or consultant-fee basis (usually a limited number of days each month), the proposed contract for such services shall be submitted to the Retirement Plan Committee for its consideration.

H. SEPARATION ALLOWANCE

1. Salaried Employes.

A separation allowance policy was established to assist financially an employe 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 division general managers and staff department directors. Special cases and those that exceed this policy should be referred to the Retirement Plan Committee for approval.

This policy may also be extended to employes 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-3.*

2. Hourly Employes.

The details of this policy are contained in *Personnel Administration Bulletin R-4.*

I. Sickness and Disability

1. Salaried Employes

Non-occupational sick leaves of absence with pay will be granted in accordance with the following schedule to employes who are classified for pay purposes as permanent salaried employes.

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 employe during a calendar year for the same or related cause of disability. Any extension of these maximum annual periods requires the approval of the Retirement Plan Committee. Further details of the Non-Occupational Sick Leave Policy for salaried employes are contained in *Personnel Administration Bulletin XIII.*

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

2. Hourly Employes

The following policy governing supplementation of Workmen's Compensation payments is available to all divisions and their locations, and establishes the maximum benefits that may be paid.

An hourly-paid employe who is absent from work because of a job-incurred disability which was caused by equipment failure beyond the control of the employe or where the employe 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 employe's wages based on a regular 40-hour work week.

In all other cases when an hourly-paid employe is absent from work because of a job-incurred disability which results from causes reasonably within the control of the employe or where the employe 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 not exceed 80 per cent of the employe's wages based on a regular 40-hour work week.

In either case, a waiting period of three days before company payments commence shall apply. However, company payments will be extended to cover the first three days 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 employe have ceased; but may be continued at the request of the division general manager or staff department director if approved by the Retirement Plan Committee. Requests for extension must be made before the expiration of the initial period. For the details of this policy, see *Personnel Administration Bulletin XVIII.*

J. Stock Purchase Plan

The decision to purchase Monsanto stock is one which each employe must make for himself. Realizing the desire of some employes to have a part in the ownership of the company, provision has been made for the purchase of stock in accordance with the Monsanto Employes Stock Purchase Plan. This plan provides a "pay as you go" method for employes who wish to purchase shares of the company's stock. The employe sets the price and the number of shares he wishes the company to purchase for him. Once Monsanto acquires the stock the employe is obligated to pay for it through monthly payroll deductions over approximately 40 months. Dividends are not paid while the company is holding the stock nor is interest charged on the employe's unpaid balance. Shares are delivered to the employe in units of ten as quickly as they are paid for. Details are set forth in a booklet entitled *Monsanto Employes Stock Purchase Plan* as well as in *Personnel Administration Bulletin IV.*

K. Vacations

Vacations with pay are granted to permanent, full-time salaried employes. This policy also extends to those permanent employes who work on a regular schedule each work week but for a shorter period each day than the normal period.

April 1 of each year is the official beginning of the vacation year period and vacations may be taken at any time during the vacation year of April 1 to March 31, the scheduling of vacations being subject to departmental working schedules. Vacations may not be carried over to another year unless specific authorization for a carry-over is received from the division general manager or staff department director concerned.

Vacation eligibility during the first year of employment is computed on an accrual basis. Thereafter a vacation of two weeks is granted until the completion of ten years of credited service, at which time salaried employes are granted an additional week's vacation with pay in addition to the annual vacation they normally receive. Upon completion of twenty years or more of credited service, salaried employes are granted two weeks' vacation with pay in addition to the annual vacation they normally receive. Executive vacations, in addition to those above, are provided. Details on policy and rules regarding vacations can be found in *Personnel Administration Bulletin XII.*

II. BONUS PLAN

Under the Bonus Plan, bonuses of common stock of the company and/or cash may be granted to those employes who contribute most to the company's success, including those who have proven themselves qualified to occupy important managerial posts and to succeed to higher positions. It is hoped in this way to compensate not only for services rendered but also to encourage further efforts by making employes participants in the company's prosperity.

Officers and employes (including those employed by any wholly owned domestic subsidiary or transferred to any foreign subsidiary or foreign associated company and those whose employment by the company or a wholly owned subsidiary terminates during the year) who receive a salary at or above such monthly rate as is fixed annually by the Bonus Committee, shall be eligible for consideration for a bonus award. Employes receiving monthly salaries of less than the fixed amount may at the discretion of the committee be given special awards.

The committee considers award recommendations for all employes and officers, who are not board members, as made by the President after he has reviewed with division general managers and staff department directors their recommendations for bonuses to members of their organizations. The Bonus Committee alone deals with awards for eligible members of the board and of the Executive and Finance Committees. It has sole discretion to determine all bonus awards and which persons shall participate in any year's awards. There is no fixed relationship between an individual's salary and his bonus. Recipients are paid bonus awards in four annual installments. A recipient who leaves the company's service shall lose any right to the unpaid balance of his award unless the committee decides otherwise. Members of the Bonus Committee are not eligible to receive bonus awards.

III. DEVELOPMENT OF PERSONNEL

A. Development Policy

To further individual development, the company offers supplementary educational activities, including training courses, technical seminars and professional and management development programs, in each instance designed to meet the special requirements of particular employe groups. The company assists employes to take advantage of job-related internal and external educational opportunities. These activities contribute in a major way to the development of those well qualified and unusually proficient technical and managerial leaders so vital to the company's continued success.

B. PERFORMANCE REVIEW PROGRAM FOR SALARIED PERSONNEL

So that each salaried employe may receive information, stimulation and assistance necessary for his proper development and placement within the company, his performance is appraised systematically by his supervisor at least once a year. On the basis of this appraisal, supervisor and subordinate together plan the developmental activities which they consider necessary for optimum performance in the present position and, where advisable, preparation for possible future positions. This plan forms the basis for day-by-day coaching activities by the supervisor and for the employe's participation in educational and training activities.

Details of procedure concerning performance reviews are contained in *Personnel Administration Bulletin VII.*

C. KEY PERSONNEL REPORTS

In order to plan properly for replacements of key personnel, all general managers and staff department directors are required by November 1 of each year, to prepare and submit to the President their Key Personnel Report.

Included in the report is an organization chart to indicate clearly the positions of plant manager and above in the divisions and the echelon below assistant directors in the staff departments.

Also included is a replacement table which includes:

1. Position and present incumbent with his age, his present performance rating and his potential rating for advancement;

2. The number of years or months before a replacement is likely to be needed where some basis for an estimate is possible;

3. Names of persons now qualified for the higher position, age, present performance and potential rating;

4. Those who are partially qualified (expected to be qualified within three years), listed separately with age, present performance and potential rating;

5. Persons who have future possibilities for advancement, listed separately with age and the present performance and potential rating.

In addition, individual performance appraisals accompany the annual Key Personnel Report for all individuals in salary grade K and above, and for individuals in salary grades below K who are shown in the replacement table, except that inclusion of appraisals for personnel listed as "future possibilities" is at the discretion of the general manager or staff department director concerned.

A transmittal letter addressed to the President accompanies each report. This letter sets forth major organizational problems and plans for their solution, including short- and long-range plans and considerations for major changes in positions and structure.

Information or questions concerning Key Personnel Reports should be directed to the office of the Assistant to the President.

D. Promotion Policy

Any position is open to any employe in the company capable of filling it. When a position opening occurs requiring special technical or managerial skills, candidates are reviewed on a company-wide basis.

The Personnel & Administrative Services Department maintains a Central Personnel Roster to assist divisions and staff departments in selecting the most qualified candidate.

When a candidate from another division or staff department is being considered for a position opportunity, the management of that division or staff department must be consulted before discussions are initiated with the individual.

E. Tuition Payment Policy

This program encourages all full-time permanent employes to improve themselves in areas related to job performance.

Further details are contained in *Personnel Administration Bulletin V*.

IV. EMPLOYE HEALTH AND MEDICAL RULES

A. Employe Health

Whenever there is a change in a plant's operation which might affect the health of employes by a change in occupational exposure, the plant manager shall notify the plant physician and the plant safety engineer in writing. The plant safety engineer shall in turn notify the medical and safety directors at St. Louis, sending complete information on the change. This information shall include full trade name and correct chemical name of the material being substituted (or used for the first time) as well as that of the material in current use; a brief statement concerning the increased or decreased exposure involved; particulars of any contemplated tryout of material wherein the health of employes may be involved.

In addition, the plant manager (for division engineering projects) and the director of the engineering department of the Research & Engineering Division (for general engineering projects) shall provide information regarding new process installations in order that the medical and safety directors may evaluate the possibility of hazards and be in a position to advise as to necessary safeguards.

It is essential that all members of the supervisory staff cooperate to the fullest extent with the medical and safety directors so that all health and accident hazards may be kept to a minimum at all times.

B. Pre-Placement Physical Examination

Every new employe, hourly or salaried, shall have a complete physical examination before starting employment. This examination includes a Kahn or similar blood test, a urinalysis and a chest X-ray. Anterior-posterior and lateral X-rays of the lumbar spine are included in the pre-placement examination of new hourly employes. When temporary employes are hired, it is not necessary to include a chest X-ray until the employe is to be transferred to the permanent payroll unless his duties involve exposure to dust, fumes or irritants. In the case of a temporary hourly employe, the back X-rays are not necessary until he is to be placed on the permanent payroll.

Physical requirements for jobs vary with the type of position. The judgment as to whether an individual is physically qualified for a particular job rests with the examining physician.

It is the policy of the company to assist handicapped workers, especially veterans, toward economic rehabilitation by placing them in jobs commensurate with their physical abilities. In each of these cases, however, direct consultation among the examining physician, the personnel manager and the safety engineer must be carried out to insure proper placement.

No individual with a communicable disease may be employed until such time as measures have been taken to render the disease incommunicable. An individual with positive blood serology for syphilis may be accepted for employment provided the disease is not in the infectious stage or the individual submits reports regularly to the plant physician showing he is under medical treatment.

Individuals with arrested pulmonary tuberculosis may be employed in certain selected positions. Each case must be decided individually solely by the local examining physician after consultation with the applicant's private medical agency.

It is not recommended that the company employ an individual in manufacturing departments or in any area where he might be exposed to eye injury if he has vision in only one eye or 50 per cent or more loss of vision in one eye. If such a person is presently employed, he shall wear safety glasses while at work.

The age limit for hiring of both men and women depends entirely upon their physical condition; personnel hired after age 55 are automatically excluded from participation in the non-contributory part of the pension plan.

C. Re-Examinations

Every hourly and salaried employe shall have a complete physical examination, preferably yearly, but not less frequently than once every two years. Records are maintained in order to insure these regular examinations. The extent of the examination is determined by the company medical director after consultation with the local examining physician.

Employes, hourly or salaried, may be ordered up for physical examination at any time by plant managers, division general managers or staff department directors, if, in their opinion, examinations seem indicated.

In the case of division general managers and staff department directors themselves, the President may order such examinations.

The information obtained from physical examinations is held confidential in the Medical Department.

D. Pregnancies

It is company policy to allow employes to continue working through the sixth month of pregnancy. Those employes who are granted a maternity leave of absence must apply for reinstatement during the period beginning with the third month and ending with the sixth month after the termination of pregnancy. Reinstatement is further subject to Medical Department approval and the availability of a suitable position. Details of the Maternity Leave of Absence Policy are set forth in *Personnel Administration Bulletin XI*.

E. Travel Examinations

An employe scheduled by the company for foreign travel shall be sent by his division general manager, staff department director or plant manager to the plant physician or, at the General Offices, to the medical director. This is necessary to insure that the various health requirements for foreign travel (vaccinations, inoculations, health certificates) are fulfilled.

In addition, any employe who has suffered any disability that might make air travel inadvisable, shall be sent either to the plant physician or to the medical director for consultation before scheduling any trip where travel by air is required.

F. Medical Records

Accurate medical records are kept on each employe by the plant Medical Department, starting with the first pre-placement physical examination. Subsequent visits to the dispensary are recorded and kept in an approved manner. These records are kept confidential in the Medical Department and, if the employe is transferred to another unit of the company, are forwarded to the Medical Department for that location.

G. Medical Treatment

1. Occupational Conditions

Unless state laws specify otherwise, the local plant physician (company doctor or outside physician engaged by the company) is responsible for the treatment of all occupational disabilities. According to his judgment he may refer cases to appropriate specialists.

In all cases strict compliance with the state laws governing the treatment of occupational illnesses and injuries shall be observed.

2. Non-Occupational Conditions

In some of the installations of the company, because of local conditions, it has been the practice to provide treatment by the plant Medical Department for all conditions, occupational or other. This practice will continue and may be changed only by the general manager of the division involved.

Otherwise, the treatment of non-occupational conditions is limited to emergency medical care or treatment of minor medical conditions to prevent loss of productive time. The degree of treatment provided by plant physicians must be governed by local conditions. However, the plant physician will consult with any employe seeking advice on non-occupational conditions and will refer him to a private physician for treatment. In the event that an employe wishes to retain as a private patient the services of a company physician, the physician is at liberty to accept him provided established medical ethics are observed and there is no interference with the physician's plant duties.

An employe absent because of illness for more than three working days must report to the Medical Department on the first day he returns to work. At those locations where a company physician is not available, the employe should present a satisfactory release from his own physician.

In accordance with the practice of good preventive medicine, immunization against infectious diseases may be recommended and offered as needed. Specific practices depend on the threat involved.

V. EMPLOYMENT

A. Employment Policy

It is Monsanto policy to receive and consider all applications for employment.

B. Recruitment of Technical and Other Professional Personnel

Uniform policy and procedure governing recruitment of technical and other professional personnel is contained in *Personnel Administration Bulletin VIII.*

General managers and staff department directors may on August 1 of each year proceed with hiring technical personnel in numbers to cover 60 per cent of:

1. The net increase in technical personnel required by the end of the next year as forecast in their respective long-range plans, and

2. Loss of technical personnel through termination for all causes, anticipating that such terminations will be at an annual rate of five per cent of the average number of total technical personnel in their respective divisions or staff departments.

C. Employment of Salaried Personnel of Other Organizations

An application for employment from a person employed by another chemical company, a company related to the chemical industry, a customer or educational institution will be considered. However, before an offer of employment is made, the current employer is notified of Monsanto's intention to make such an offer. Monsanto does not initiate employment discussions with an employe of such an organization without notifying his employer of this intention.

D. Outside Offers of Employment to Monsanto Personnel

In cases where outside organizations or educational institutions express a desire to contact a Monsanto employe with the thought of offering employment, the employe's superior shall immediately inform him of the offer. It is desirable at this point to discuss thoroughly with the employe his future with Monsanto.

E. Employment of Relatives

1. No relative, as defined below, of any member of management in salary grade G or above may be employed.

Relatives include spouse, parents, children, adopted children, stepchildren, 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 G may be hired if at no time they are employed in the same department as their relative.

2. A spouse of anyone whose business interests are in conflict with those of Monsanto may not be hired. If an employe having access to confidential information marries such a person, he shall be terminated or transferred to a position not involving access to confidential information.

It is the responsibility of the division general manager or the staff department director to determine whether an employe has access to confidential information.

Any exception to this policy shall be made only with the consent of the appropriate Vice President.

F. Employment of Personnel Requiring Executive Committee Approval

No new employe may be hired at a starting salary of $18,000 or more per annum without the approval of the Executive Committee.

The Executive Committee must approve continued employment of any person beyond age 65 whose annual salary is greater than $15,000.

G. Contracts with Employes Covering Confidential Matters and Inventions

Monsanto is engaged in an industry where emphasis is placed on technological creativeness and superiority. Therefore, corporate success depends in considerable degree upon how well security is maintained. It is a condition of employment that certain employes, as specified in the *Security Guide,* sign an employment agreement.

The company *Security Guide* outlines in detail the varying contracts, the persons who are required to sign them and the methods of handling such contracts.

H. Termination Report Policy

When an exempt salaried employe is terminated, either voluntarily or involuntarily, a termination interview must be held with the employe. Following this, a termination report (form MG-227) shall be submitted to the general manager or staff department director concerned. In the event the terminating employe is a technical person, or in salary grade J or higher, a copy of this termination report shall be forwarded to the director of the Personnel & Administrative Services Department within ten days following the date of termination.

VI. FOREIGN PERSONNEL POLICY

A Foreign Personnel Policy has been developed to deal with the problems and conditions peculiar to company personnel assigned to foreign duty. Authorized personnel may obtain the details of this policy, contained in *Personnel Administration Bulletin R-2*, from the Personnel & Administrative Services Department.

VII. KEY SCIENTIFIC PERSONNEL ADVANCEMENT PLANS

Recognizing the great value of purely scientific and technological contributions on the part of outstanding technical personnel as vital to the over-all company objectives, Monsanto provides a program for those who are qualified and wish to follow a scientific or technological career instead of advancing through the administrative line of promotion.

To implement this program, the positions of Scientist and Senior Scientist have been created in the research departments, the positions of Technologist and Senior Technologist have been created in the engineering departments, and the positions of Exploration Geologist and Senior Exploration Geologist have been created in the production and exploration department of the Hydrocarbons Division.

Details of these programs may be obtained from *Personnel Administration Bulletins XIV and XVII.*

VIII. LABOR RELATIONS

The general manager of each division is responsible for labor relations, including collective bargaining, in his division. Plant managers, under the direction of their division general manager, are responsible for labor relations in their plants.

Division general managers and plant managers administer labor relations in conformity with the company-wide policy, and the Personnel & Administrative Services Department furnishes divisions and plants with up-to-date information and advice on policy and practices.

The Personnel & Administrative Services Department assists and advises division and plant management regarding action to be taken in contract negotiations or in specific labor problems. It participates in the planning of contract negotiations and is represented at these negotiations, if requested by the division management or the Vice President of manufacturing, and is kept fully informed of negotiation progress.

Plant managers likewise keep the Personnel & Administrative Services Department informed on other labor relations problems of a precedent-setting nature or of significance to Monsanto company-wide, such as organizational campaigns, strikes or impending strikes, plant-union contract proposals, contract interpretations, unusual grievances and arbitrations. National Labor Relations Board and labor law matters are referred by the plants to the Personnel & Administrative Services Department for handling with the Law Department.

The Personnel & Administrative Services Department keeps the Executive Committee, the divisions and the plants fully informed on significant internal labor relations matters and external labor relations developments as they affect the company, including state and national legislation, or interpretations thereof.

IX. SAFETY AND FIRE PROTECTION

A. Basic Monsanto Safety Program

The member of management in charge at each location is fully responsible for the maintenance of safe and healthful working conditions and for setting up and carrying out an effective safety program.

The differences in size, product, operation and organization of the many company locations require each of them to develop and administer its own safety and fire protection program. Even though these programs will of necessity differ, certain fundamental principles are essential to insure well balanced programs.

Basically, every effective program takes into consideration three principles:

1. Management control and participation to assure workers that the plant management is personally interested in safety;

2. Supervisory stimulation and direction to create employe interest in safety, and acceptance by supervisors of accident prevention as their responsibility;

3. Employe cooperation with management and supervision in promoting safety and working safely.

These principles are attainable through conformance to the following six essentials to a well balanced safety program:

1. Safety Policy

It is important that management establish and make known to all employes a definite safety policy based on the realization that safety is good business; that the company does not expect production at the cost of injury to employes; that the company supports all reasonable means to guarantee the safety of its employes.

2. Safety Organization

A safety program, to be effective, requires top plant management administration to indicate to all employes that management supports and insists upon safety. Depending on the plant's size, the top management group may be supplemented by other plant groups to assist in promoting the safety program.

3. Safety Indoctrination and Education

A definite safety indoctrination plan is essential to the effective safety program. Employes must receive safety instruction before they start their jobs and while on the job. A safety educational program must be established to keep employes interested in accident and fire prevention by conducting meetings, contests, campaigns, etc.

4. Supervisory Safety Instruction

The key to maintaining and fostering employe interest in accident prevention and in eliminating and controlling accident and fire hazards lies largely in the supervisor's attitude toward safety. To create supervisory interest and cooperation in the safety program, supervisors must recognize their responsibility for accident prevention; must be instructed in employe training methods; and must know how to detect and eliminate sources of accidents. This can be accomplished through supervisory safety instruction meetings and by appointing supervisors to safety committees and special campaign committees.

5. Hazard Control

To detect, eliminate and control hazards requires analysis of all plant accidents and fires by types and locations to determine sources, and necessitates regularly scheduled plant inspections to discover hazards and to see that protective equipment is properly maintained.

6. Management Review

It is desirable that safety engineers keep their plant managers acquainted with the status of the plant safety program. This can be done by furnishing the plant manager with a monthly report outlining the progress on safety objectives, listing new objectives, number of inspections made, safety meetings held, accidents and loss statistics and comparisons, etc.

Further information on the necessary supporting data required for a well balanced, long-range, accident prevention program, is contained in the *Monsanto Accident Prevention Manual.*

B. Safety Award Plan

To recognize outstanding performance in safety the following five plans are in effect:

The *President's Trophy* is awarded by the President of the company to the location winning the annual safety contest in each of the three groups into which the company's locations are divided.

The *Executive Committee Award* is made by a member of the Executive Committee to the location in each of the three plant groups which has operated the greatest number of hours in its group since the last major injury and without a major injury during the year. This is an annual award.

The *Safety Improvement Plaque* is presented to the location in each of the three plant groups which shows the largest percentage of improvement in its group in injury frequency rate over the most recent five-year period. This is an annual award and is made by the general manager of the division which operates the winning plant.

The *General Manager's Trophy* is an award made to the location which has worked the greatest number of hours without a major injury in the history of the company. It is presented by the general manager of the division which operates the winning plant.

The *Monsanto Accident Prevention Manual* contains a complete delineation of the safety award rules and procedures and locations by groups.

X. SALARY PLAN

Monsanto's Salary Plan is designed to attract and retain high-caliber employes, to stimulate and reward excellence in performance, and to provide flexibility to fit individual circumstances.

The Salary Plan provides classifications and salary ranges for all positions. The responsibility of properly classifying employes lies with the divisional general managers or staff department directors. Classifications and evaluations of all salaried positions at each company location are reviewed periodically by the Personnel & Administrative Services Department.

The Salary Plan shall be administered uniformly by all divisions and staff departments.

All employes are considered for a merit increase at least once a year. Salary increases granted under this policy are on the basis of individual performance. The Salary Plan also provides that salaries and salary ranges may be adjusted from time to time as economic conditions indicate. Such adjustments require approval of the Salary Committee.

Details of the Salary Plan are found in the *Salary Administration Manual.*

XI. SOLICITATION OF EMPLOYES

A. Employe Lists

Lists of employes may not be provided anyone outside the company and may not be released to anyone within the company without approval of a general manager or staff department director.

B. Contributions*

Employes may not be solicited or solicit on company time or on company premises for contributions to any organization or fund without the approval of the location manager.

C. Memberships*

Employes may not be solicited or solicit on company time or on company premises, parking lots included, to join any organization whether social, fraternal, business or trade.

D. Purchases

Employes may not be solicited by salesmen on company premises or during working hours.

E. Process or Subpoena Service

Since there is ample time for employes to be served with processes or subpoenas in private litigation matters away from the job, office managers and plant managers should not (except where required by state law) accept or call employes to a reception center for service of such processes or subpoenas. This does not apply to jury summons or to any investigations conducted by an official police organization in matters in which the particular employe is involved.

XII. STOCK OPTION PLANS

A. 1960 Stock Option Plan

Under this Stock Option Plan, the Board of Directors may authorize the grant of options to purchase unissued or reacquired common stock

**The provisions of paragraphs B and C above do not apply to solicitation for union membership or union dues during non-working hours.*

of the company to officers and other employes of the company and its subsidiaries, including members of the Board of Directors of the company who also are salaried officers.

The options are granted to such persons and in such amounts as the Stock Option Committee (composed of the Chairman of the Board and two non-officer board members) shall determine. Under the terms of the plan, members of the committee are ineligible to receive stock options.

B. Second Employes' Stock Plan

Under this plan, certain salaried and hourly employes may be granted options to purchase a maximum of 450,000 shares of common stock of the company at not less than 95 per cent of the average market price on the effective date of the plan. On the effective date, to be set at the discretion of the Board of Directors, eligible employes will be granted options to purchase up to that number of whole shares which, at the option price, equals 30 per cent of their base compensation for one year. Employes will authorize payroll deductions in an amount sufficient (exclusive of the four per cent interest that will be credited semi-annually to their stock accounts) to pay over a 35-month period for the number of shares under option. All or part of the money accumulated in this stock account may be withdrawn at any time.

Employes hired after the effective date of the plan may, under the conditions specified in the plan, be eligible to participate. Details of the plan may be obtained locally or from the Treasury Department in St. Louis.

XIII. TRAVEL AND MOVING EXPENSE AND REAL ESTATE POLICY

A. Official Travel

Employes requested to travel on company business are reimbursed for all transportation and subsistence expense incurred. The following are considered as transportation expense items: first class railroad and pullman fare or plane fare on regularly scheduled airlines, taxis, rental automobiles, toll and parking fees, streetcar and bus fares, and tips. If travel is by private automobile, in addition to toll and parking fees, eight cents per mile is paid.

Subsistence expenses include the following items: lodging, meals, valet service, laundry, postage, telephone calls, telegrams and tips.

In order to establish a company-wide standard procedure for handling advances or payment of funds to employes who travel on company business, the Accounting Department has established a *Travel Expense Procedure, Controller's Bulletin No. 19-04,* which may be amended from time to time.

B. Travel Accident Insurance

Insurance coverage in the amount of $25,000 is provided for salaried employes while traveling on authorized company business outside of their permanent place of employment. The coverage extends to all forms of transportation (not applicable to company aircraft). Details are set forth in *Personnel Administration Bulletin XV.*

C. Travel and Moving Expense—New Personnel

All new employes, married or unmarried, who are the heads of families with household goods, may be reimbursed for out-of-pocket expense incurred in moving themselves, their furniture and family to the new job site.

All new employes who are unmarried may be paid transportation to their new job site.

New employes may be moved at company expense from their university or from their home as decided by the division or staff department concerned and expressly stipulated in the job offer letter.

A new employe, on reporting to his first assignment, may be reimbursed for reasonable subsistence expenses incurred for himself 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 employe's division general manager or staff department director.

The Internal Revenue Service considers these reimbursements as income and the employe shall be informed by the employing division or staff department of the necessary deductions and procedures required.

D. Transfers and Housing

1. Travel and Subsistence Expenses

An employe 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 employe's division general manager or staff department director. Travel and subsistence expenses are defined under "Official Travel," (Page F-18).

Employes are permitted to return to their transfer point at company expense to assist their families in moving household effects and to take care of other related matters.

Employes who are temporarily assigned to a new location under conditions that make it inadvisable to move their families and effects, or assigned to a new location on a permanent basis and who find it inconvenient to move their families immediately, may be paid their individual subsistence expenses at the discretion of the division general manager or staff department director. Such employes are 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 the division general manager or staff department director.

2. Moving Expense

The company pays the cost of moving the employe's household goods and personal effects to the newly assigned location, including storage charges if required.

Details on travel, subsistence and moving expenses are set forth in *Personnel Administration Bulletin IX.*

3. Real Estate Policy

When an employe is transferred at company request from one location to another, it is Monsanto's policy that the individual shall not suffer capital loss by the move. Details are set forth in *Personnel Administration Bulletin IX.*

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SECTION H

COMPANY BY-LAWS

MCO 1530463

MONSANTO CHEMICAL COMPANY

BY-LAWS

Offices

1. The principal office shall be in the City of Wilmington, County of New Castle, State of Delaware, and the name of the resident agent in charge thereof is The Corporation Trust Company.

2. The corporation may also have an office in the County of St. Louis, State of Missouri, and also offices at such other places as the board of directors may from time to time appoint or the business of the corporation may require.

Seal

3. The corporate seal shall have inscribed thereon the name of the corporation and the words "Seal, Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Stockholders' Meetings

4. All meetings of the stockholders for the election of directors shall be held at the office of the corporation in the County of St. Louis, State of Missouri. Special meetings of stockholders for any other purpose shall also be held at the office of the corporation in the County of St. Louis.

5. An annual meeting of stockholders shall be held on the fourth Thursday of March in each year if not a legal holiday, and if a legal holiday, then on the next secular day following, at 10 o'clock A.M., when they shall elect by a plurality vote, by ballot, a board of directors, and transact such other business as may properly be brought before the meeting.

6. The holders of a majority of the stock issued and outstanding, and entitled to vote thereat, present in person, or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by law, by the certificate of incorporation or by these by-laws. If, however, such a majority shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person, or by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite amount of voting stock shall be present. At such adjourned meeting at which the requisite amount of voting stock shall be represented any business may be transacted which might have been transacted at the meeting as originally notified.

7. At any meeting of the stockholders every stockholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such stockholder or his duly authorized agent and bearing a date not more than three years prior to said meeting, unless said instrument provides for a longer period. Each stockholder shall have one vote for each share of stock having voting power, registered in his name on the books of the corporation, and except where the transfer books of the corporation shall have been closed or a date shall have been fixed as a record date for the determination of its stockholders entitled to vote, no share of stock shall be voted at any election for directors which shall have been transferred on the books of the corporation within twenty days next preceding such election of directors. Prior to

a meeting of the stockholders, the president shall appoint two inspectors, who shall receive and canvass the votes cast at such meeting and certify the results to the president or chairman of the meeting. Such inspectors need not be stockholders. Before entering upon the performance of their duties the inspectors shall make oath that they will faithfully, honestly and impartially perform their duties as such inspectors.

The written proxies shall be filed with the inspectors who shall pass upon the sufficiency thereof before permitting any attorney or agent to vote thereon. Prior to any stockholders' meeting the board may recommend to stockholders (if they do not intend to attend the meeting in person) that they send in their proxies to the secretary, running to such representative or representatives as the board may designate.

8. Written notice of the annual meeting shall be mailed to each stockholder entitled to vote thereat at such address as appears on the stock ledger of the corporation, at least ten days prior to the meeting.

9. A complete list of the stockholders entitled to vote at the ensuing election, arranged in alphabetical order, with the residence of each, and the number of voting shares held by each, shall be prepared by the secretary and filed in the office where the election is to be held, at least ten days 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.

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 committe 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.

Meetings of the Board

21. Each newly elected board may meet at such place and time either within or without the State of Delaware as shall be fixed by the vote of the stockholders at the annual meeting, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, PROVIDED a majority of the whole board shall be present; or they may meet at such place and time as shall be fixed by the consent in writing of all the directors.

22. Regular meetings of the board may be held without notice at such time and place either within or without the State of Delaware as shall from time to time be determined by the board.

23. Special meetings of the board may be called by the president on two days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors.

24. All meetings of the board, whether regular or special, shall be held at the office of the company in the County of St. Louis unless some other place is specified in the notice for such meeting.

25. At all meetings of the board five directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation or by these by-laws.

Officers

26. The officers of the corporation shall be chosen by the directors and shall be a chairman of the board, chairman of the executive committee, chairman of the finance committee, president, one or more vice presidents, secretary, treasurer and controller. The board of directors may also appoint assistant secretaries, assistant treasurers and assistant controllers and such other officers as it shall deem necessary. One person may hold more than one office. The chairman of the board, the chairman of the executive committee, the chairman of the finance committee and the president shall be chosen from among the directors.

27. The officers shall be chosen by the board of directors at its first meeting after each annual meeting of the stockholders of the company and shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board of directors.

28. The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the whole board of directors. If any office becomes vacant for any reason, the vacancy shall be filled by the board of directors.

29. The salaries of all officers of the corporation shall be fixed by the board of directors. Salaries of all employes (including bonus provisions, if any) shall be fixed by the president or by persons by him authorized to do so.

30. In addition to their fixed salaries, the board may authorize the payment of additional compensation or bonus, to such officers as come within such bonus plan or plans as the board may deem wise and establish, as an incentive to greater efficiency. The fact that members of the board, who are active officers of the company, may be benefited by such bonus plan, shall not disqualify them from voting in favor of the adoption of such plan. Any bonus plan adopted by the board must, however, provide only reasonable additional compensation, based on results to be accomplished, and taking into consideration the investment of the company in property and plant account and working capital, and other matters reasonably necessary to make such plan fair and equitable to all concerned.

Chairman of the Board

31. The chairman of the board shall preside at all meetings of the board of directors and of the stockholders, except such as under the law must be presided over by the president or a specially appointed chairman. He shall be an ex-officio member of all committees. He shall act in an advisory capacity with respect to matters of policy and other matters of

importance pertaining to the affairs of the company. He shall prepare, sign and send out reports and other messages which are to be sent to stockholders from time to time. He shall also perform such other duties as may be assigned to him by the board.

Chairman of the Executive Committee

32. The chairman of the executive committee shall preside at all meetings of such committee and shall perform such other duties as from time to time may be assigned to him by the board of directors or the executive committee. He may call meetings of such committee at any time and shall do so on the written request of two members of such committee.

Chairman of the Finance Committee

33. The chairman of the finance committee shall preside at all meetings of such committee and shall perform such other duties as from time to time may be assigned to him by the board of directors or the finance committee. He may call meetings of such committee at any time and shall do so on the written request of two members of such committee.

President

34. In the absence of the chairman of the board, the president shall preside at all meetings of the stockholders and of the board of directors. He shall be the chief executive officer of the corporation and shall have general and active management of the business of the corporation and see that all orders and resolutions of the board of directors are carried into effect. He shall also execute bonds, mortgages and other contracts under the seal of the corporation.

35. He shall be ex-officio a member of all standing committees and shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation.

Vice-Presidents

36. The vice-presidents shall assume and perform the duties and exercise the powers of the president in the absence or disability of the president and shall perform such other duties as may be prescribed by the board of directors or by the president.

Secretary and Assistant Secretaries

37. The secretary shall attend all sessions of the board and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose; and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall keep in safe custody the seal of the corporation, and when authorized by the board, or proper committee or president or vice-president, affix the same to any instrument requiring it, and when so affixed, it shall be attested by his signature or by the signature of an assistant secretary.

38. The assistant secretaries shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties as the board of directors or the president or secretary shall prescribe.

Treasurer and Assistant Treasurers

39. The treasurer shall have the custody of the funds and securities of the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors. He shall disburse the funds of the corporation when properly authorized by vouchers prepared and approved by the controller, and shall invest funds of the corporation when approved by the board of directors or the finance committee. He shall render to the president and board of directors, whenever they may require it, an account of all his transactions as treasurer. If required by the board of directors, he shall give the corporation a bond, in such sum and with such surety or sureties as shall be satisfactory to the board, for the faithful performance of the duties of his office, and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

40. The assistant treasurers shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties as the board of directors or the president or treasurer shall prescribe.

Controller and Assistant Controllers

41. The controller shall be the principal officer in charge of the accounts of the company and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation. He shall render to the president and board of directors, whenever they may require it, an account of all of his transactions as controller and of the financial condition of the corporation, and shall perform such other duties as shall from time to time be assigned to him by the board of directors or the president. If required by the board of directors, he shall give the corporation a bond, in such sum and with such surety or sureties as shall be satisfactory to the board, for the faithful performance of the duties of his office.

42. The assistant controllers shall, in the absence or disability of the controller, perform the duties and exercise the powers of the controller and shall perform such other duties as the board of directors or the president or controller shall prescribe.

Duties of Officers May Be Delegated

43. In case of the absence of any officer of the corporation, or for any other reason that the board may deem sufficient, the board may delegate, for the time being, the powers or duties, or any of them, of such officer to any other officer or to any employe.

44. Each director and each officer (and his heirs, executors and administrators) shall be indemnified by the corporation against any costs and

expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the corporation or of any other company which he serves or has served as director or officer at the request of the corporation, and against any amounts paid by him in settlement of or in satisfaction of a judgment in any such action, suit or proceeding (other than amounts paid or payable to the corporation); provided that no director or officer shall be indemnified against any costs, expenses or payments in relation to any matter as to which he shall be finally adjudged liable under the Securities Act of 1933, as amended, or derelict in the performance of his duties as such director or officer, or in relation to any matter as to which there has been no adjudication with respect to his performance of his duty unless the corporation shall receive an opinion from independent counsel that the director or officer is not liable under the Securities Act of 1933, as amended, and has not so been derelict; and provided that the foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law.

Certificates of Stock

45. The certificates of stock of the corporation shall be numbered and shall be entered in the books of the corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the president or a vice-president and attested by the secretary or assistant secretary and the corporate seal shall be attached, and all stock certificates shall be transferred by a transfer agent or transfer agents and registered by a registrar or registrars to be appointed by the company. Such corporate seal may be a facsimile, engraved or printed. Where any such stock certificate is signed by a transfer agent and by a registrar the signatures of any such president, vice-president, secretary or assistant secretary upon such certificates may be facsimiles, engraved or printed. In case any such officer who has signed or whose facsimile, engraved or printed, signature has been placed upon such certificate, shall have ceased to be such officer before such certificate is issued, such certificate may nevertheless be issued with the same effect as if such officer had not ceased to be such officer at the date of its issuance.

Transfers of Stock

46. Transfers of stock shall be made on the books of the corporation only upon surrender of the certificate therefor endorsed by the person named in the certificate or by attorney, lawfully constituted in writing.

Closing of Transfer Books

47. The board of directors shall have power to close the stock transfer books of the corporation for a period not exceeding fifty days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period of not exceeding fifty days in connection with obtaining the consent of stockholders for any purpose; provided, however, that in lieu of closing the stock transfer books as aforesaid the board of directors may fix in advance a date, not exceeding fifty days preceding the date of any meeting of stockholders or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in

connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders, and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

Registered Stockholders

48. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of Delaware.

Lost Certificate

49. Any person claiming a certificate of stock to be lost or destroyed shall make an affidavit or affirmation of that fact and advertise the same in such manner as the board of directors may require, and the board of directors may, in its discretion, require the owner of the lost or destroyed certificate, or his legal representative, to give the corporation a bond, sufficient to indemnify the corporation against any claim that may be made against it on account of the alleged loss of any such certificate or the issuance of a new certificate in lieu thereof and payment of dividends to the holder of such new certificate. A new certificate of the same tenor and for the same number of shares as the one alleged to be lost or destroyed may be issued without requiring any bond when, in the judgment of the directors, it is proper so to do.

Checks, Notes, Etc.

50. Checks against funds in banks shall be signed by such officer or employe as the board may direct. The board may also require countersignatures to checks. The board shall also designate the officer or officers to be authorized to sign notes, drafts, acceptances, etc., in behalf of the company and to pledge securities of the company for the payment of the same. The board shall also designate the officers or employes who shall be authorized to endorse notes, drafts, acceptances, etc., for the company. The board shall also designate the proper officers to sign other documents in behalf of the company.

Fiscal Year

51. The fiscal year shall begin the first day of January in each year.

Auditors

52. The books of the company shall be audited annually or oftener by certified public accountants, to be selected by the board.

Voting Stocks of Other Corporations

53. Unless otherwise ordered by the board of directors the president shall have full power and authority in behalf of the company to attend and to act and to vote at any meeting of stockholders of any corporation in which this company may hold stock and at any such meeting shall possess and may exercise any and all of the rights and powers incident to the ownership of such stock. The board of directors by resolution from time to time may confer like powers upon any other person or persons. If the board has failed to authorize the execution of a proxy for such purpose, then the president, notwithstanding such failure, may, in the name of the corporation, execute such proxy in favor of such person or persons as he may select to represent this company at such meeting or meetings.

Dividends

54. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock.

55. Before payment of any dividend there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may abolish any such reserve in the manner in which it was created.

Directors' Annual Statement

56. The board of directors, through the president, shall present at each annual meeting, and when called for by vote of the stockholders at any special meeting of the stockholders, a full and clear statement of the business and condition of the corporation.

Notices

57. Whenever under the provisions of these by-laws notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in the post office or letter box, in a post-paid sealed wrapper, addressed to such stockholder or director at such address as appears on the books of the corporation, or, in default of other address, to such director or stockholder at the General Post Office in the City of Wilmington, Delaware, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

58. Any stockholder or director may waive any notice required to be given under these by-laws; and meetings of the stockholders or of the board of directors may be held pursuant to waivers.

Amendments

59. These by-laws may be altered or amended or repealed by the affirmative vote of a majority of the stock issued and outstanding and entitled to vote thereat, at any regular meeting of the stockholders or at any special meeting of the stockholders if notice of the proposed alteration

or amendment or repeal be contained in the notice of such special meeting, or by the affirmative vote of a majority of the board of directors at any regular meeting of the board or at any special meeting of the board if notice of the proposed alteration, amendment or repeal be contained in the notice of such special meeting; provided, however, that no change of the time or place for the election of directors shall be made within sixty days next before the day on which such election is to be held, and that in case of any change of such time or place, notice thereof shall be given to each stockholder in person or by letter mailed to his last known post office address at least twenty days before the election is held.

I—Organization Charts

MCO 1530474

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SECTION I

ORGANIZATION CHARTS

NOTE: Organization charts in this section show lines of reporting; there is no implication by level of positional boxes to the relative importance of activities or individuals.

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BOARD OF DIRECTORS

Charles Allen Thomas, Chairman
Dillon Anderson
John L. Christian
Fredrick M. Eaton
John L. Gillis
Carroll A. Hochwalt
Herbert Hoover Jr.
Robert K. Mueller
Edward A. O'Neal
Edgar M. Queeny
William W. Schneider
Charles H. Sommer
Alan H. Temple
Felix N. Williams

FINANCE COMMITTEE

Edgar M. Queeny, Chairman
Fredrick M. Eaton
Herbert Hoover Jr.
William W. Schneider
Charles H. Sommer
Alan H. Temple
Charles Allen Thomas

EXECUTIVE COMMITTEE

Charles H. Sommer, Chairman
John L. Christian
John L. Gillis
Carroll A. Hochwalt
Robert K. Mueller
Edgar M. Queeny
William W. Schneider
Charles Allen Thomas
Felix N. Williams

PRESIDENT

Charles H. Sommer

ASSISTANT TO THE PRESIDENT

James H. Lum

CORPORATE PLANNING AND EVALUATION

Arthur W. Lucas, Chairman
John J. Healy
W. G. Livingston

ACCOUNTING	LAW	MARKETING SERVICES	MEDICAL	PATENT	PERSONNEL & ADMINISTRATIVE SERVICES	PUBLIC RELATIONS	PURCHASING & TRAFFIC	TREASURY
E. J. Cunningham Director	E. J. Putzell Jr. Director	William R. Farrell Director	R. E. Kelly, M.D. Director	J. Russell Wilson Director	E. W. Dwyer Director	Dan J. Forrestal Director	H. J. Heffernan Director	Patrick J. Dowd Director

AGRICULTURAL CHEMICALS	HYDROCARBONS	INORGANIC CHEMICALS	ORGANIC CHEMICALS	OVERSEAS	PLASTICS	RESEARCH & ENGINEERING
Tom K. Smith Jr. General Manager	H. Harold Bible General Manager	Edward J. Bock General Manager	Robert M. Morris General Manager	Marshall E. Young General Manager	John R. Eck General Manager	E. G. Somogyi General Manager

MONSANTO CHEMICAL COMPANY
Company Organization
April, 1962

CHAIRMAN OF THE BOARD

Charles Allen Thomas

CHAIRMAN OF THE EXECUTIVE COMMITTEE

Charles H. Sommer

CHAIRMAN OF THE FINANCE COMMITTEE

Edgar M. Queeny

PRESIDENT

Charles H. Sommer

VICE PRESIDENTS

H. Harold Bible	Edward J. Bock	J. L. Christian	John R. Eck	John L. Gillis
Carroll A. Hochwalt	Arthur W. Lucas	Robert M. Morris	R. K. Mueller	William W. Schneider
Tom K. Smith Jr.	E. G. Somogyi	Felix N. Williams	J. Russell Wilson	Marshall E. Young

CONTROLLER

E. J. Cunningham

SECRETARY

E. J. Putzell Jr.

TREASURER

Patrick J. Dowd

ASSISTANT CONTROLLERS

Lloyd R. Cole
M. C. Covert
Earl B. Mills
Walter C. Thilking
Earl J. Wipfler

ASSISTANT SECRETARIES

Charles E. Caspari Jr.
John N. Ehlers
Rodney Harris Jr.
Franklin C. Rehfeld

ASSISTANT TREASURERS

J. Robert Matlock
Thomas M. Rasmussen
Rolla H. Stocke
George F. Wingard

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MONSANTO CHEMICAL COMPANY
Company Officers
April, 1962

BOARD OF DIRECTORS

Charles Allen Thomas, Chairman

Dillon Anderson
John L. Christian
Fredrick M. Eaton
John L. Gillis
Carroll A. Hochwalt
Herbert Hoover Jr.
Robert K. Mueller
Edward A. O'Neal
Edgar M. Queeny
William W. Schneider
Charles H. Sommer
Alan H. Temple
Felix N. Williams

Edwin J. Putzell Jr.—Secretary

EXECUTIVE COMMITTEE

Charles H. Sommer, Chairman
John L. Christian
John L. Gillis
Carroll A. Hochwalt
Robert K. Mueller
Edgar M. Queeny
William W. Schneider
Charles Allen Thomas
Felix N. Williams

James H. Lum—Secretary

FINANCE COMMITTEE

Edgar M. Queeny, Chairman
Fredrick M. Eaton
Herbert Hoover Jr.
William W. Schneider
Charles H. Sommer
Alan H. Temple
Charles Allen Thomas

AUDITING COMMITTEE

Fredrick M. Eaton
Alan H. Temple

BONUS COMMITTEE

Charles Allen Thomas, Chairman
Dillon Anderson
Edgar M. Queeny

RETIREMENT PLAN COMMITTEE

E. W. Dwyer, Chairman
J. L. Hawn, Vice Chairman
W. W. Schneider
E. J. Cunningham
H. L. Minckler

A. B. Hughes—Secretary

SECOND EMPLOYES' STOCK PLAN COMMITTEE

W. W. Schneider, Chairman
P. J. Dowd
E. J. Putzell Jr.
W. B. Daume

J. L. Hawn—Secretary

STOCK OPTION COMMITTEE

Charles Allen Thomas, Chairman
Dillon Anderson
Edgar M. Queeny

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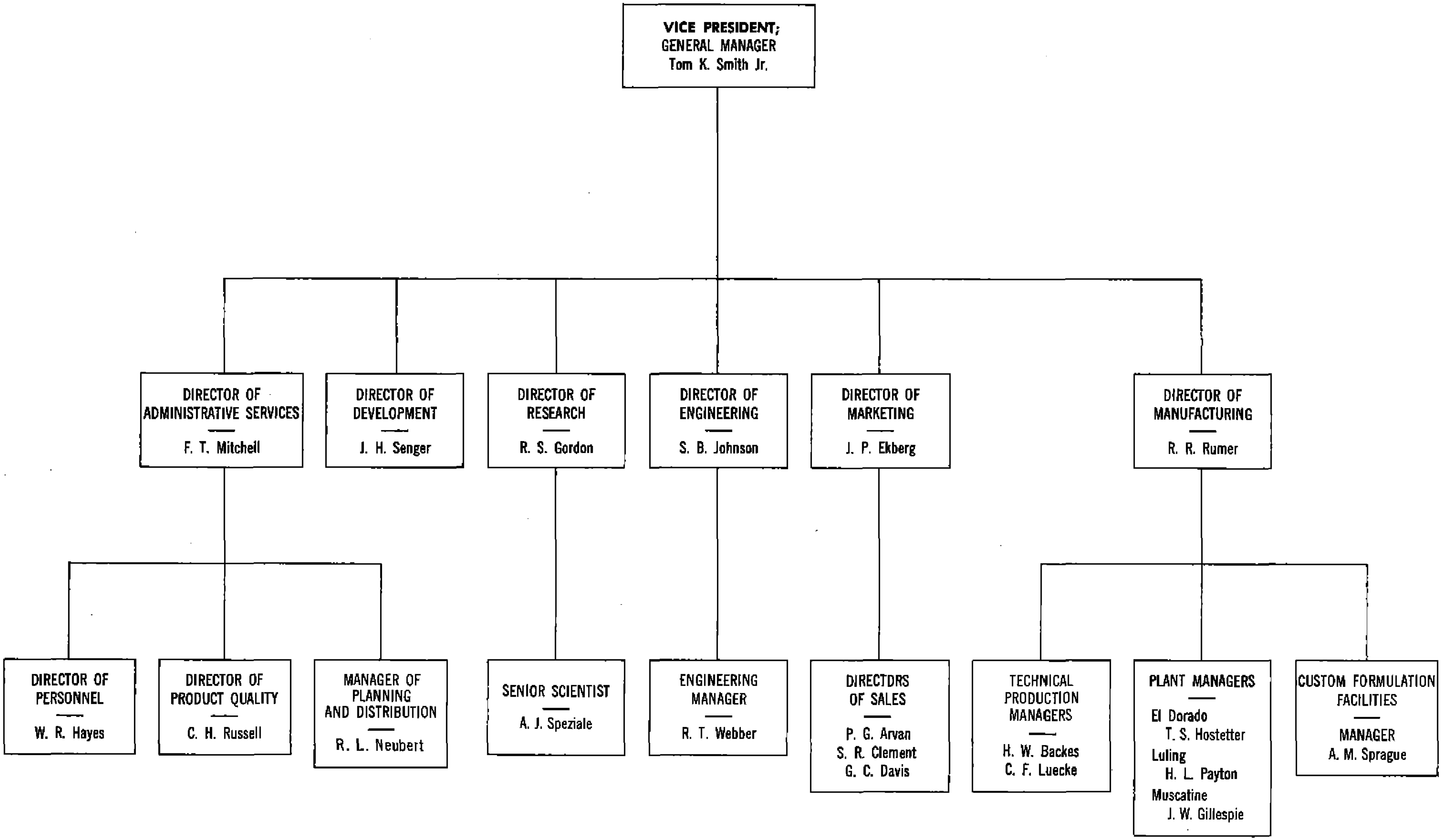
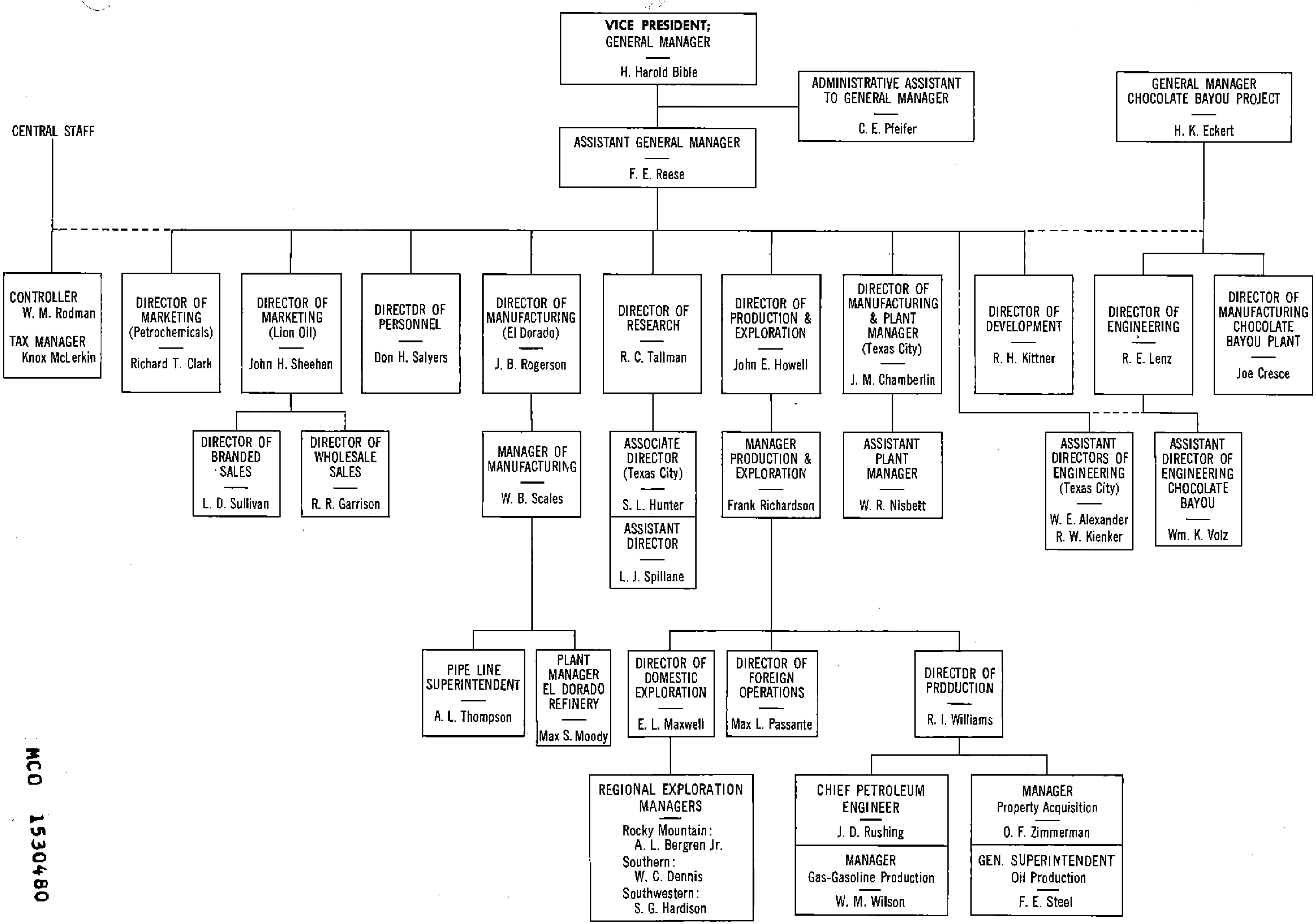
MONSANTO CHEMICAL COMPANY
Board of Directors and Committees
April, 1962



MONSANTO CHEMICAL COMPANY
Agricultural Chemicals Division
April, 1962



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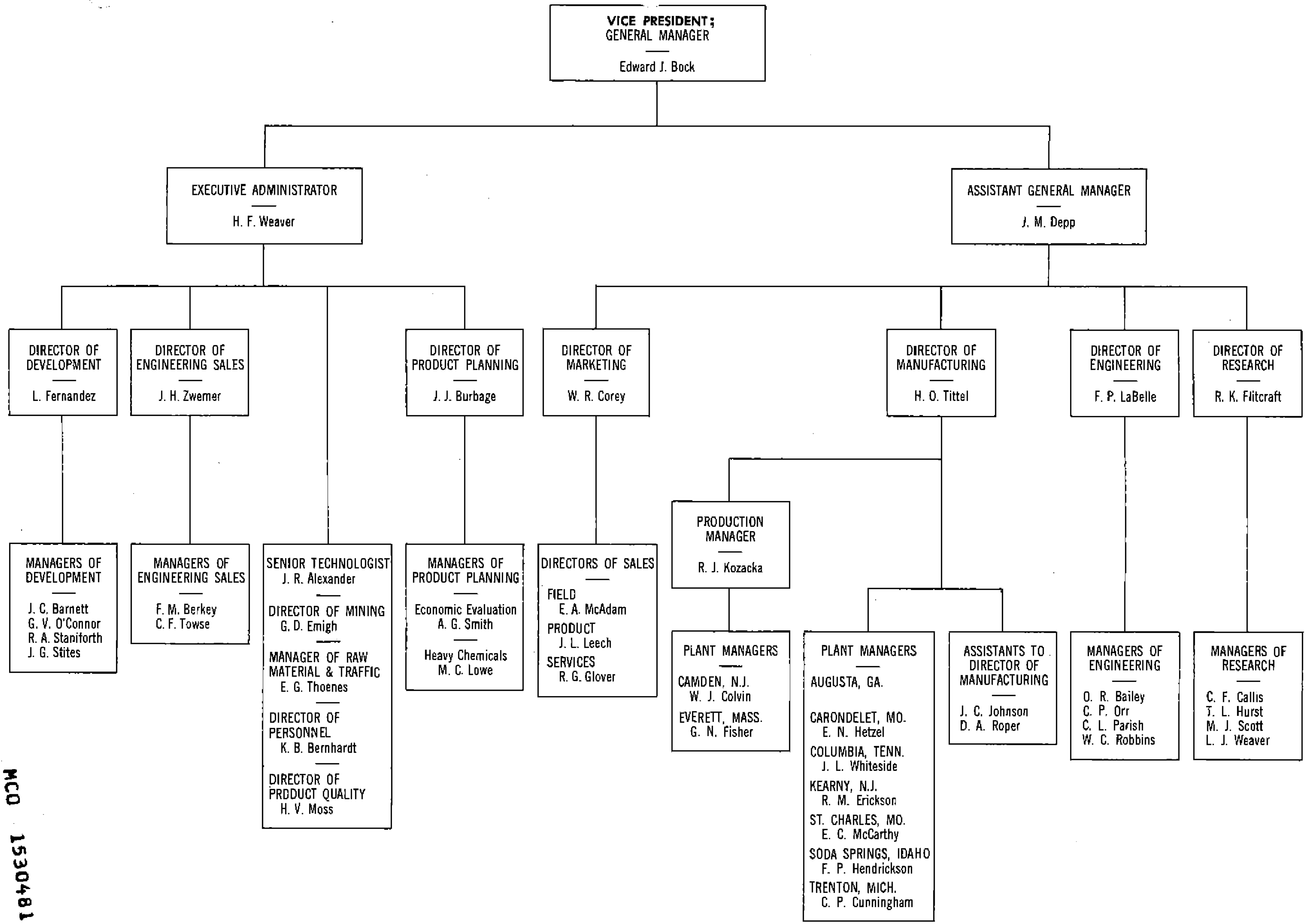
MONSANTO CHEMICAL COMPANY
Hydrocarbons Division
April, 1962



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MONSANTO CHEMICAL COMPANY
Inorganic Chemicals Division
April, 1962

- VICE PRESIDENT; GENERAL MANAGER — R. M. Morris
  - ASSISTANT GENERAL MANAGER — A. P. Kroeger
    - CENTRAL STAFF
      - ACCOUNTING — A. J. Eberle
      - PUBLIC RELATIONS — G. K. Johnson
    - DIRECTOR OF PERSONNEL — H. M. Mitchell
    - MANAGER OF ECONOMIC PLANNING — J. S. Harris
    - PRODUCT DIRECTORS
      - Fine, Intermediate & Heavy Chemicals — H. A. Hashbarger
      - Foreign Manufacturing — B. E. Thomas
      - Petroleum Chemicals — R. S. Wobus
      - Plasticizer, Resin & Paper Chemicals — J. R. Durland
      - Rubber Chemicals — P. E. McIntyre
    - DIRECTOR OF ENGINEERING — F. J. Holzapfel
      - ASSISTANT DIRECTORS OF ENGINEERING — F. W. Enoch, L. L. Fellinger, R. O. Nellums
    - DIRECTOR OF RESEARCH — M. C. Throdahl
      - ASSISTANT DIRECTORS OF RESEARCH — O. DeGarmo, M. W. Farrar, H. W. Faust, H. L. Hubbard, T. M. Patrick, C. E. Anagnostopoulos (Nitro)
      - DIRECTOR OF ADVANCED ORGANIC CHEMICALS RESEARCH — F. B. Zienty
    - DIRECTOR OF MANUFACTURING — H. L. Minckler
      - TECHNICAL PRODUCTION MGRS. — D. B. Hosmer, R. L. Miller
      - MAINTENANCE ENGR. MGR. — W. E. Chandler
      - QUALITY CONTROL MGR. — H. O. Hehner
      - PRODUCTION PLANNING MGR. — N. L. Sample
      - PLANT MANAGERS
        - Anniston — J. R. McClain
        - Avon — K. Ellingson
        - Delaware River — D. L. Eby
        - Krummrich — R. E. Soden
        - Nitro — P. W. Edwards
        - Queeny — C. J. Smith
    - DIRECTOR OF MARKETING — H. S. Parham
      - DIRECTORS OF SALES
        - Operations — E. S. Robson
        - Planning — H. J. Lawler
        - Services — T. C. Tupper
    - DIRECTOR OF DEVELOPMENT — L. E. Klein

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MONSANTO CHEMICAL COMPANY
Organic Chemicals Division
April, 1962

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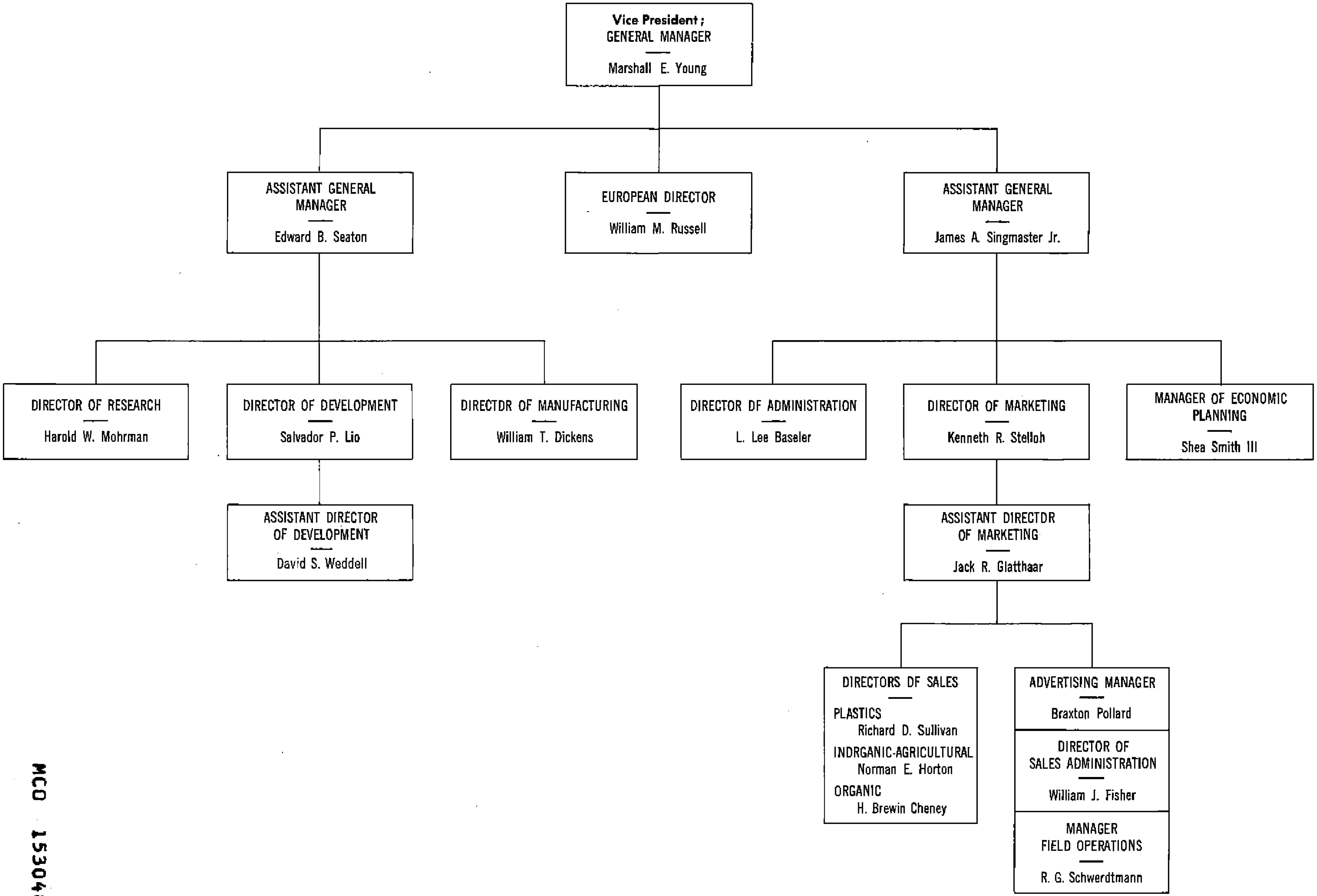
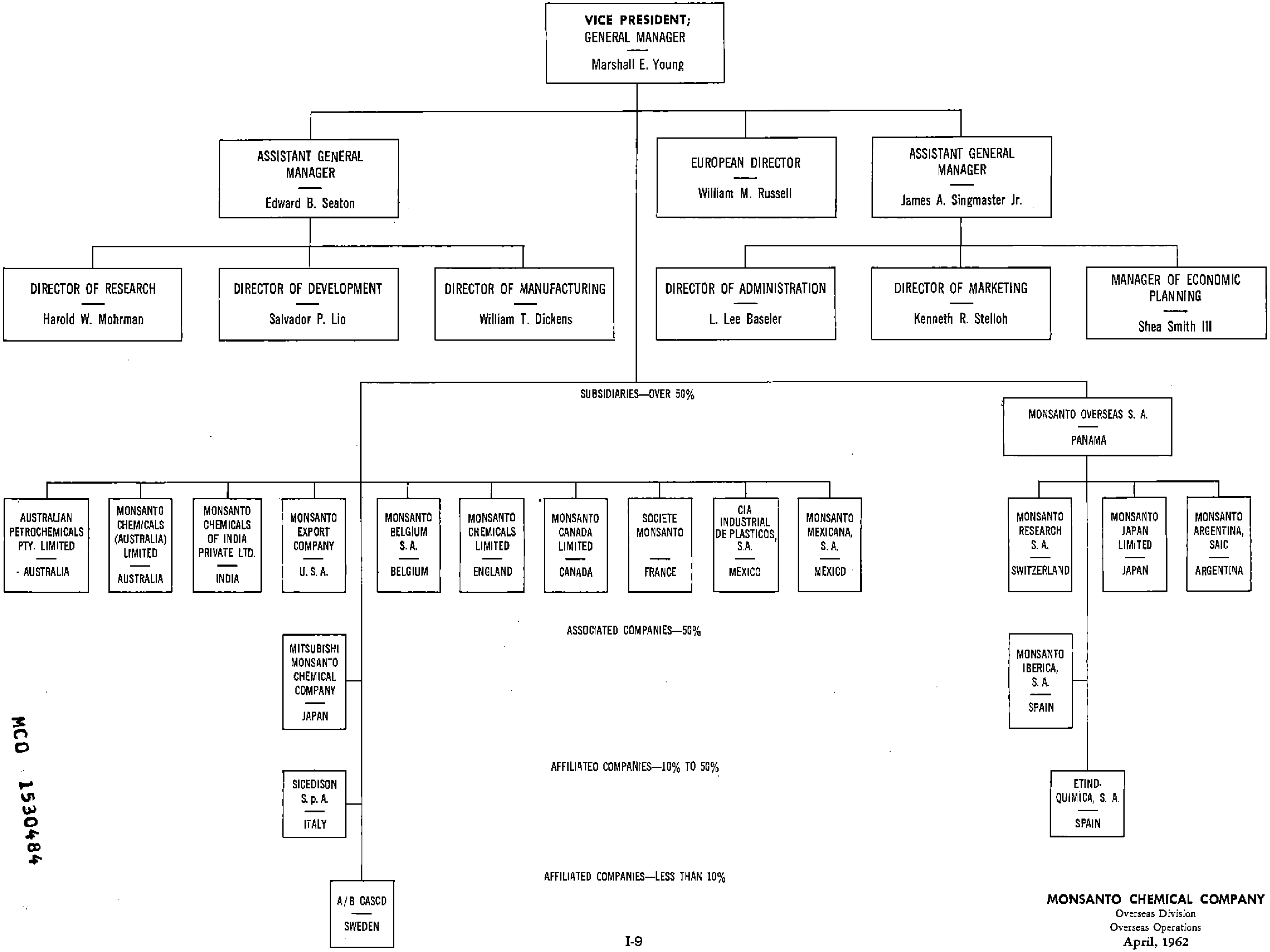


MONSANTO CHEMICAL COMPANY
Overseas Division
April, 1962



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MONSANTO CHEMICAL COMPANY
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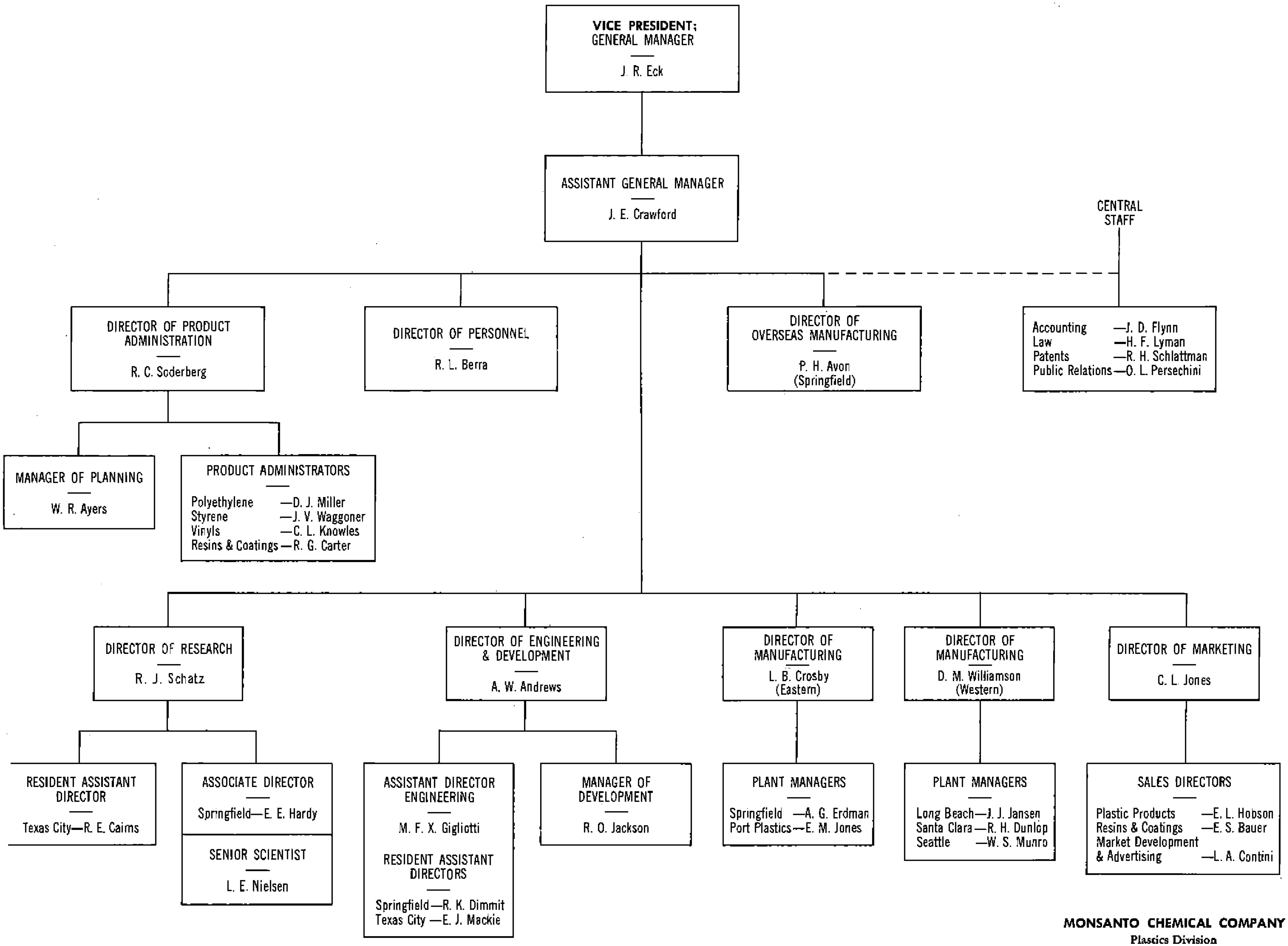
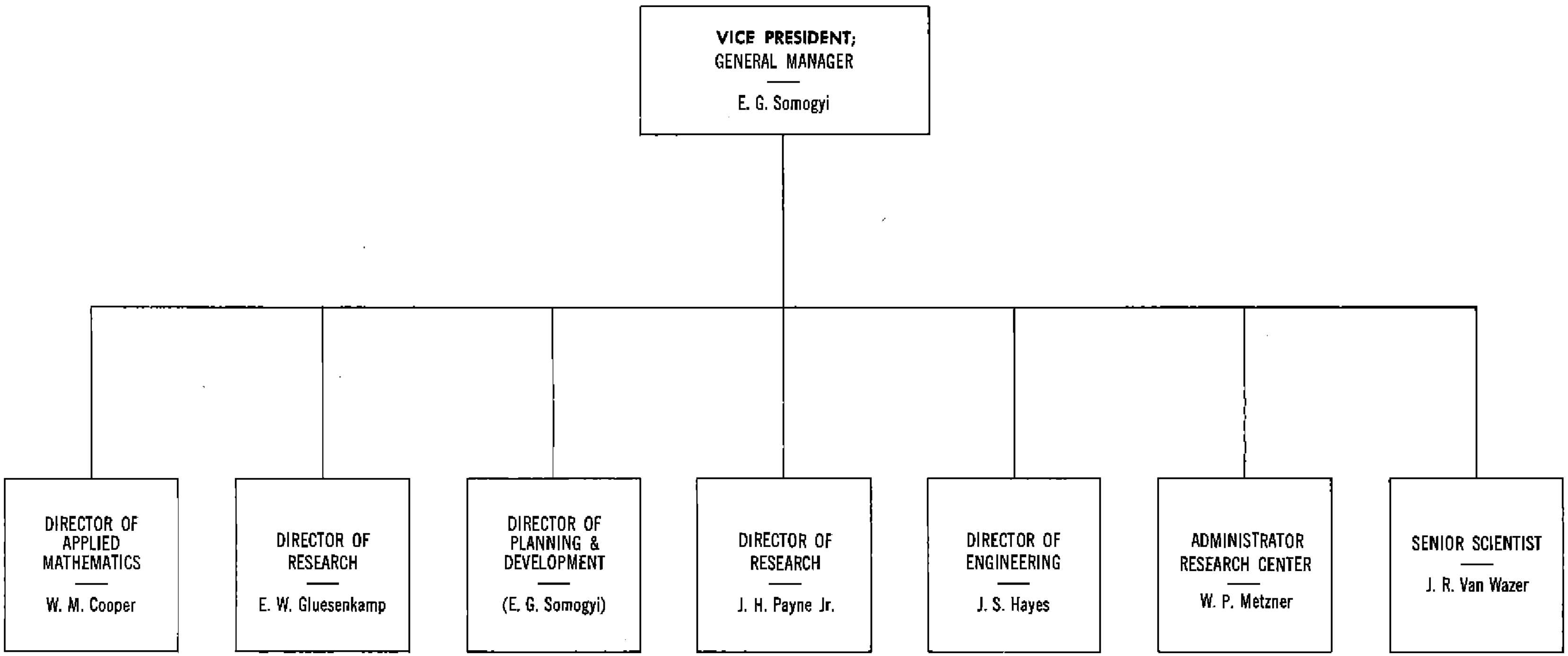


MCO 1530485

MONSANTO CHEMICAL COMPANY
Plastics Division
April, 1962



MONSANTO CHEMICAL COMPANY
Research & Engineering Division
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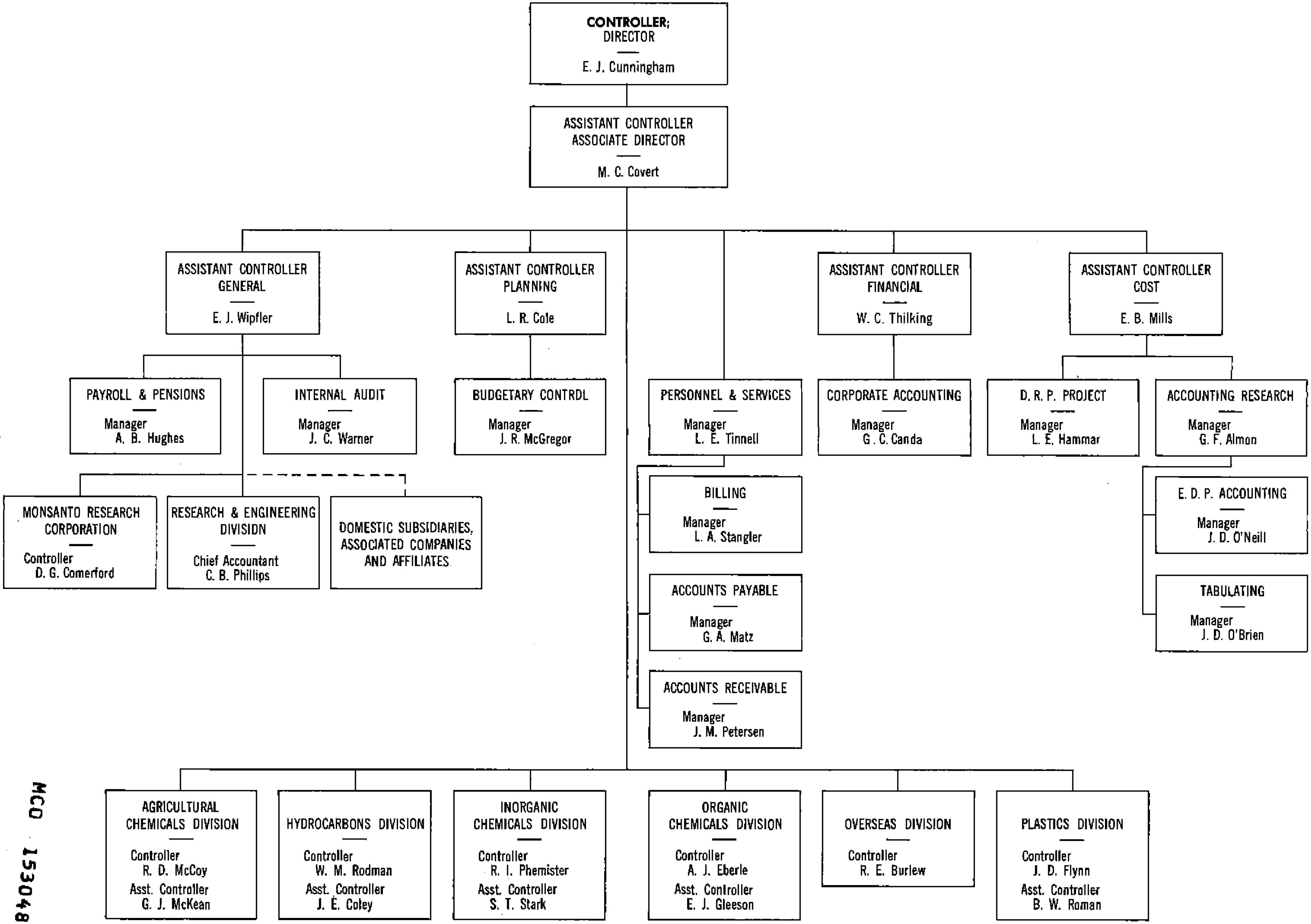

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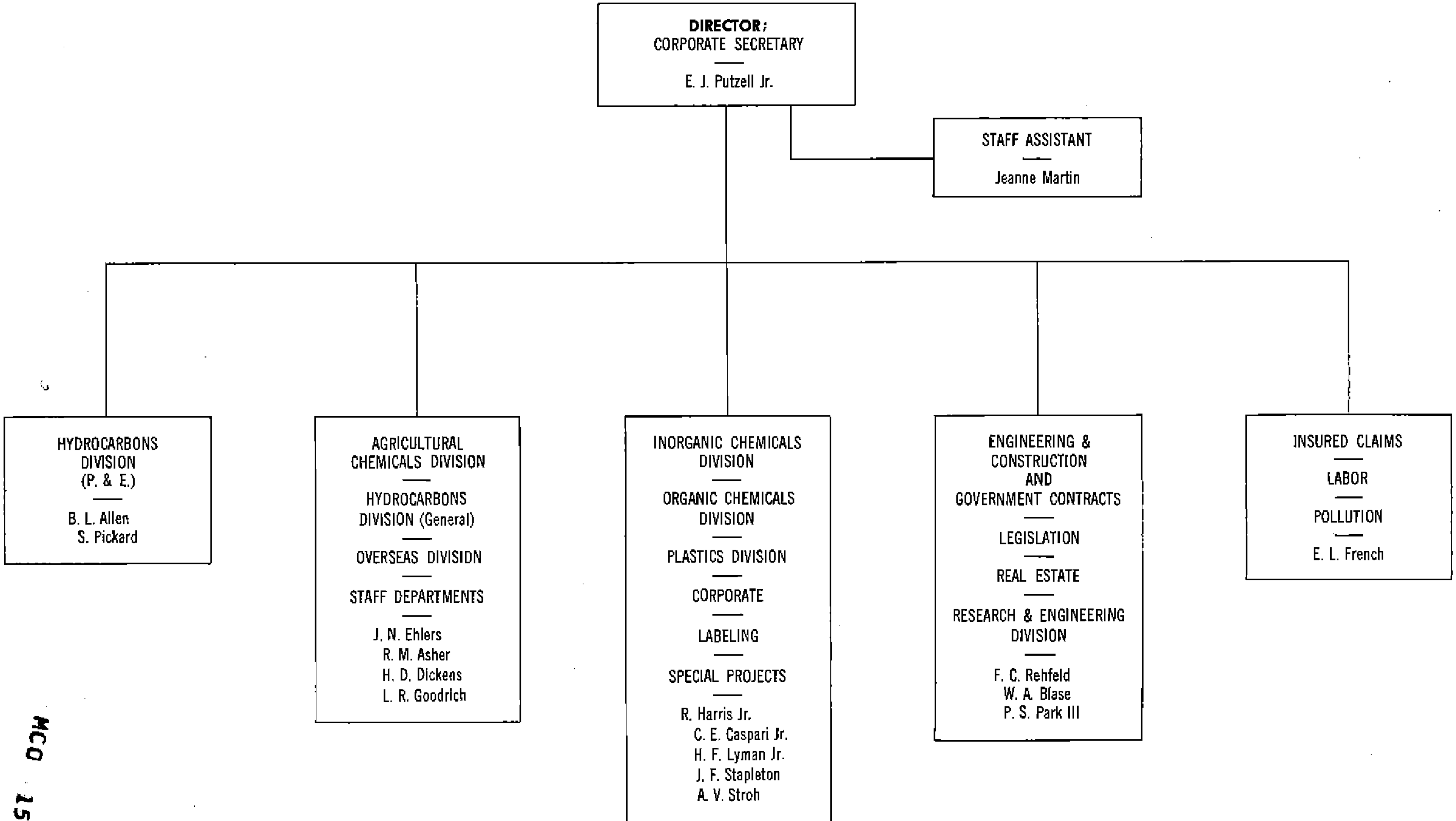

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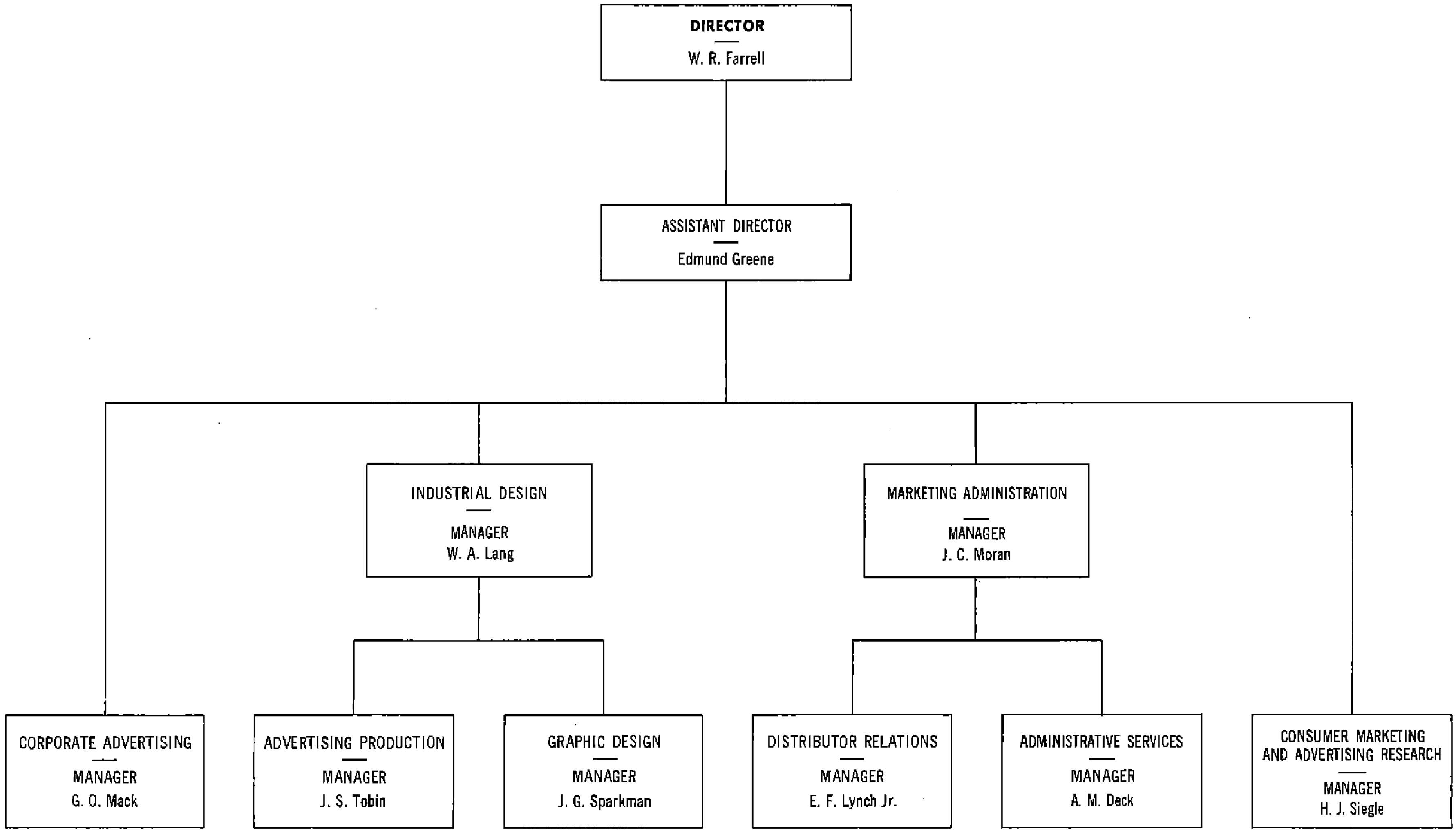

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MONSANTO CHEMICAL COMPANY
Marketing Services Department
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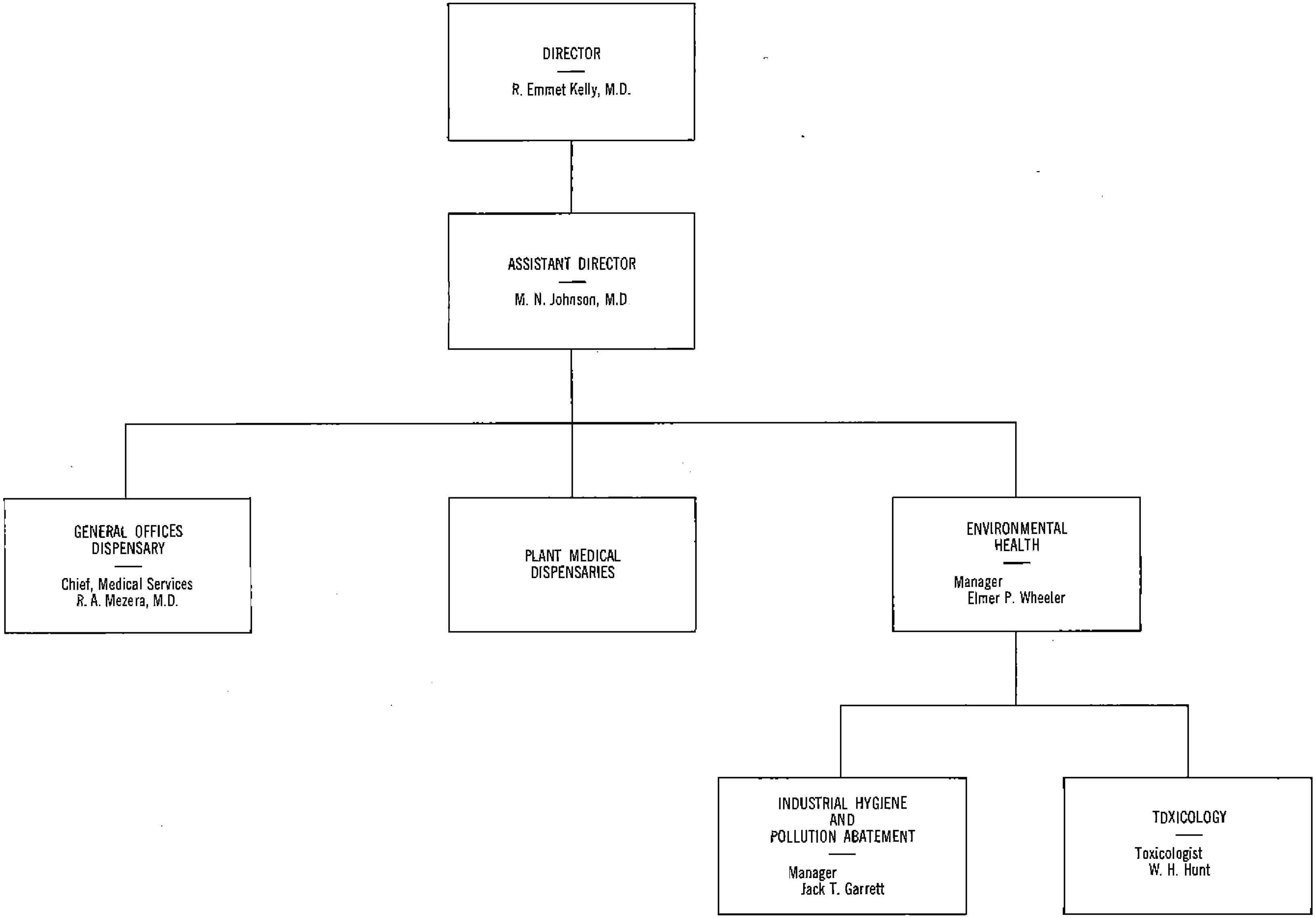

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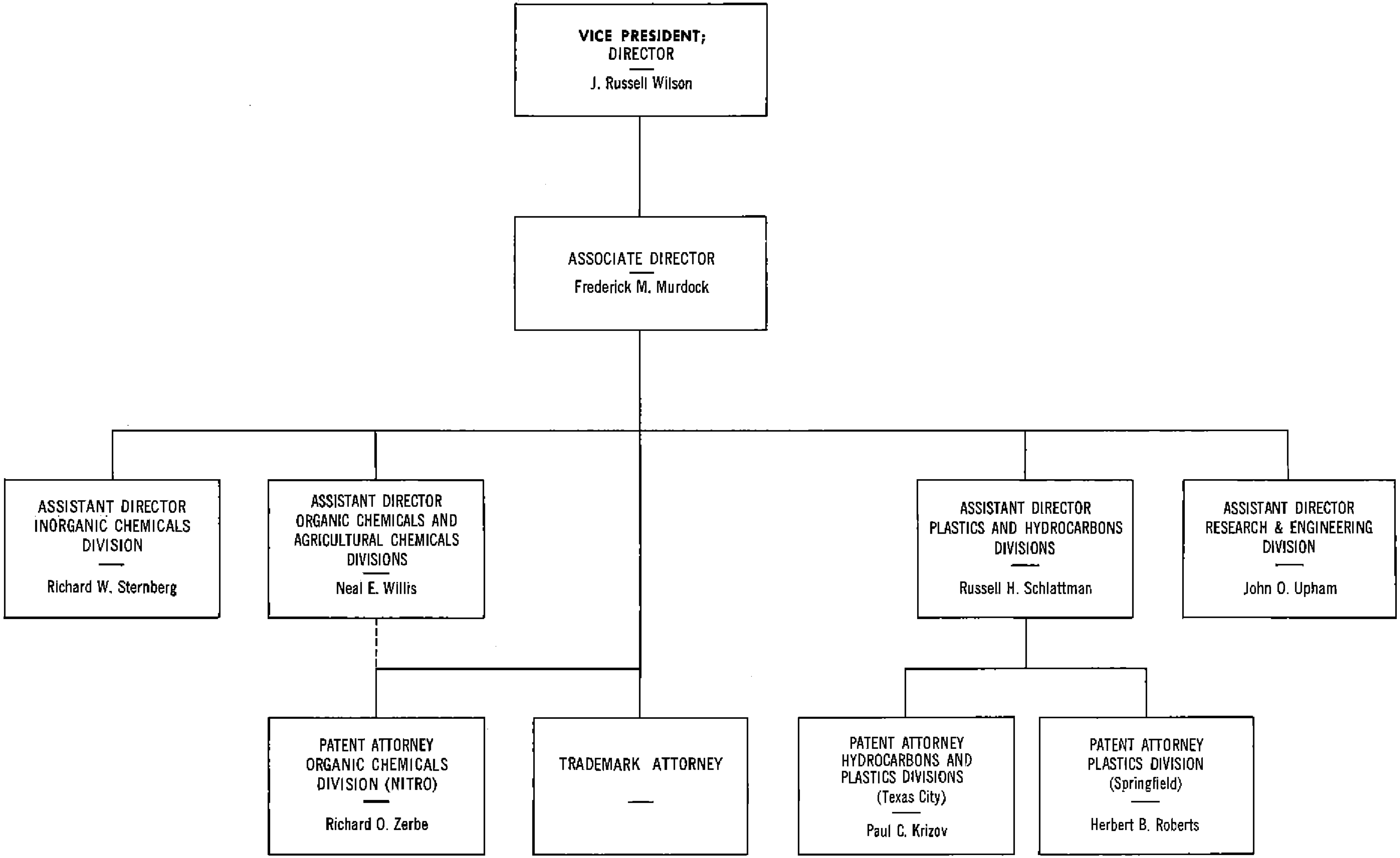
MONSANTO CHEMICAL COMPANY
Medical Department
April, 1962



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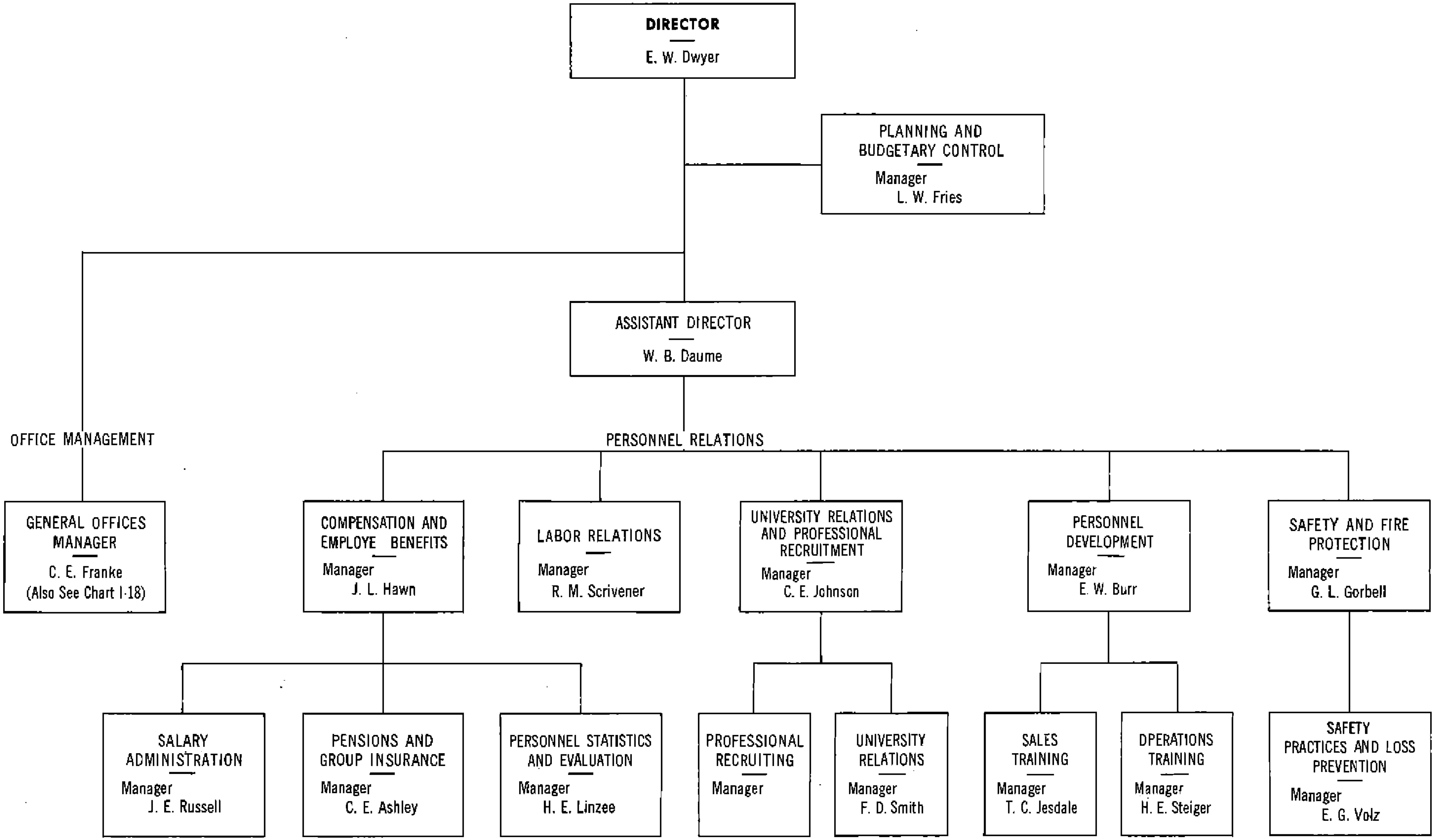
MONSANTO CHEMICAL COMPANY
Patent Department
April, 1962



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MONSANTO CHEMICAL COMPANY
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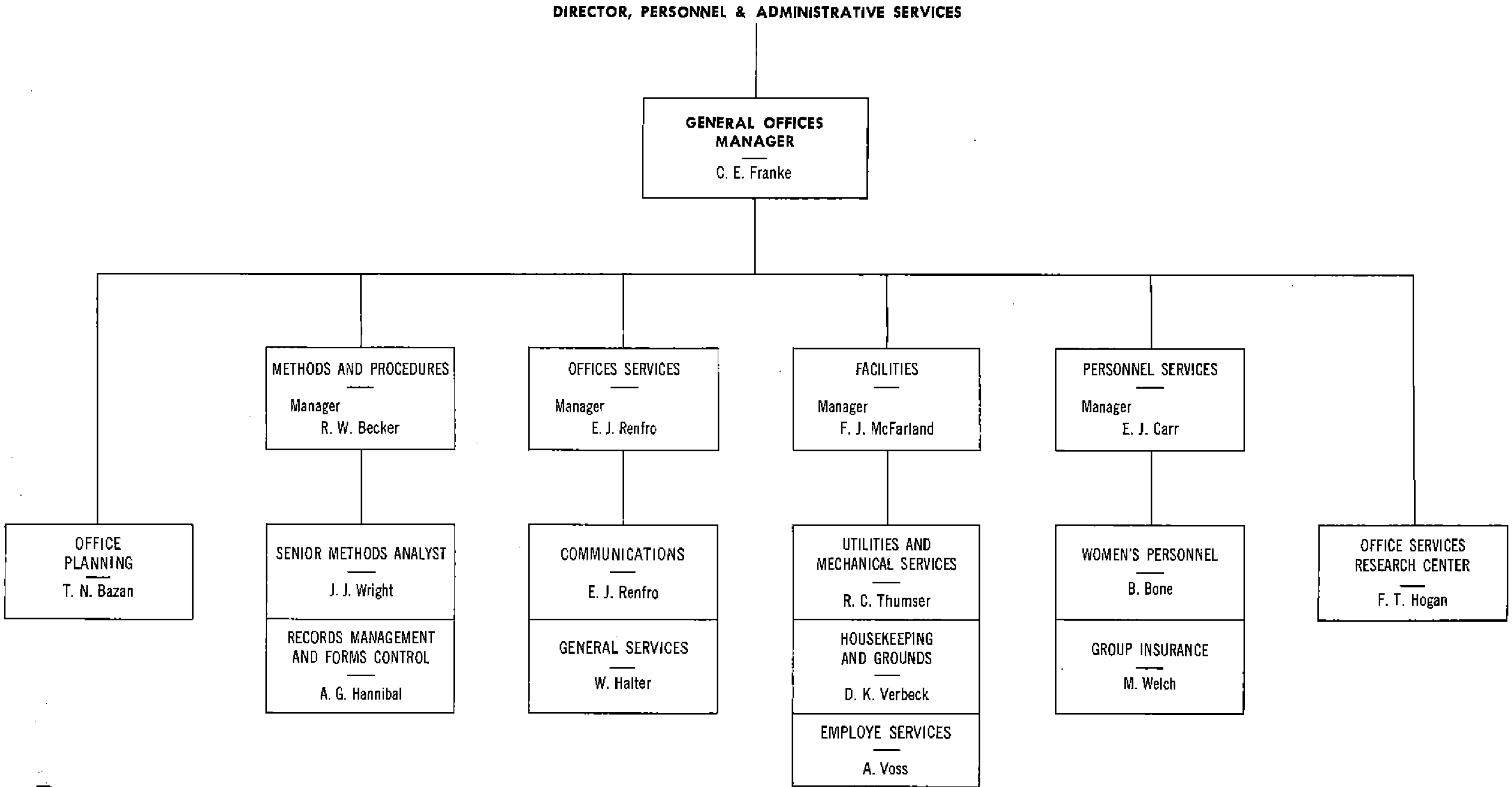
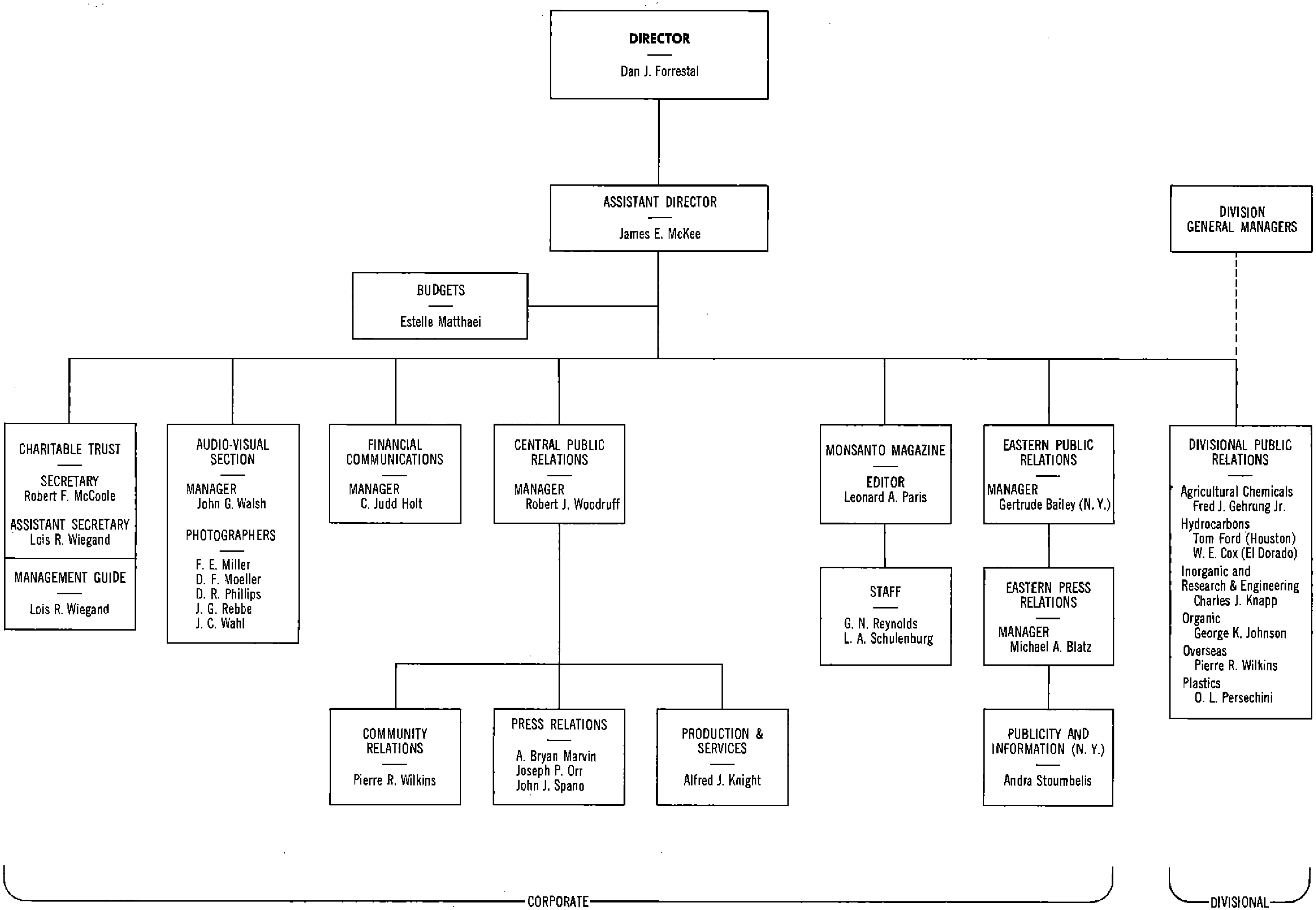


MONSANTO CHEMICAL COMPANY
Personnel & Administrative Services Department
Office Management Functions
April, 1962



MONSANTO CHEMICAL COMPANY
Public Relations Department
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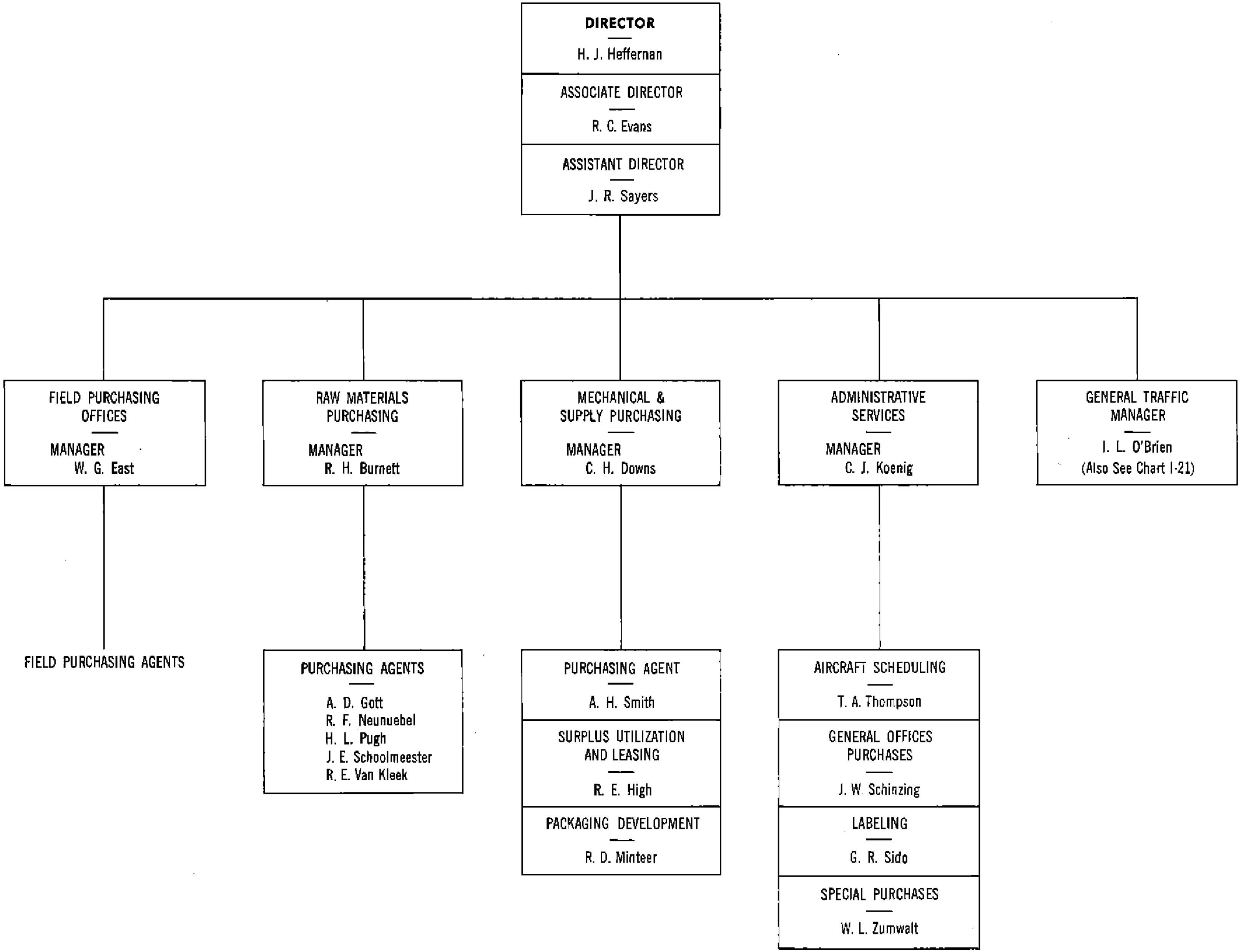

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MONSANTO CHEMICAL COMPANY
Purchasing & Traffic Department
April, 1962

DIRECTOR, PURCHASING & TRAFFIC DEPARTMENT

- **GENERAL TRAFFIC MANAGER** — I. L. O'Brien
  - RATES TRAFFIC MANAGER — M. E. Iten
    - TANK TRUCKS — A. L. Langsdorf
    - DIVISION TRAFFIC MANAGERS
      - AGRICULTURAL CHEMICALS — J. F. Brady
      - INORGANIC CHEMICALS — T. C. Stewart
      - LION OIL ACTIVITIES — Ford Maggard
      - ORGANIC CHEMICALS — E. C. Mulconnery
      - OVERSEAS — S. D. Morrison
      - PLASTICS — J. O. Clay
    - WATER TRANSPORT — M. E. Midgley
  - OPERATIONS TRAFFIC MANAGER — J. H. Harriss
    - TANK CARS — H. T. Hale
    - RATE QUOTATIONS — R. C. Long
    - SPECIAL SERVICES — R. J. Leber

MONSANTO CHEMICAL COMPANY
Purchasing & Traffic Department
Traffic Functions
April, 1962

- **TREASURER; DIRECTOR** — Patrick J. Dowd
  - ASSISTANT DIRECTOR — George F. Wingard
    - MANAGER OF EMPLOYE HOUSING & RELOCATION — H. J. Tubbesing
    - MANAGER OF BANKING — R. H. Stocke
      - CASHIERS
        - St. Louis — B. W. Wilken
        - El Dorado — E. P. Marrable
      - EMPLOYE STOCK PLANS — B. W. Wilken
    - MANAGER OF CREDIT — W. J. Naber Jr.
      - DIVISION CREDIT MANAGERS
        - Agricultural Chemicals — J. E. Lumpkin
        - Inorganic Chemicals — J. A. Flood
        - Hydrocarbons — W. B. Hosack
        - Organic Chemicals — J. A. Flood
        - Overseas — R. C. Hellwig
        - Plastics — W. B. Hosack
      - DISTRICT CREDIT MANAGERS
        - El Dorado — N. G. Hammond
        - New England — J. F. Smith
        - New York — J. R. Burns
        - West Coast — J. H. Alexander
    - MANAGER OF INSURANCE — E. F. Spawr
      - MANAGER OF INSURANCE ADMINISTRATIVE — R. C. Chapman
      - MANAGER OF INSURANCE ENGINEERING — R. J. Green
  - ASSISTANT DIRECTOR — Thomas M. Rasmussen
    - MANAGER OF TAXES (Oil & Gas) — Knox McLerkin
      - INCOME AND FRANCHISE TAXES — W. T. Spence
      - EXCISE TAXES — J. D. Dunn
    - MANAGER OF TAXES (Overseas) — E. C. Sagurton
    - MANAGER OF TAXES (Chemicals) — J. R. Matlock
      - INCOME TAXES — A. S. McDermott
      - PROPERTY TAXES — T. A. Jones
      - MISCELLANEOUS TAXES — C. E. Barber
    - TAX RESEARCH & PLANNING — C. P. Powell

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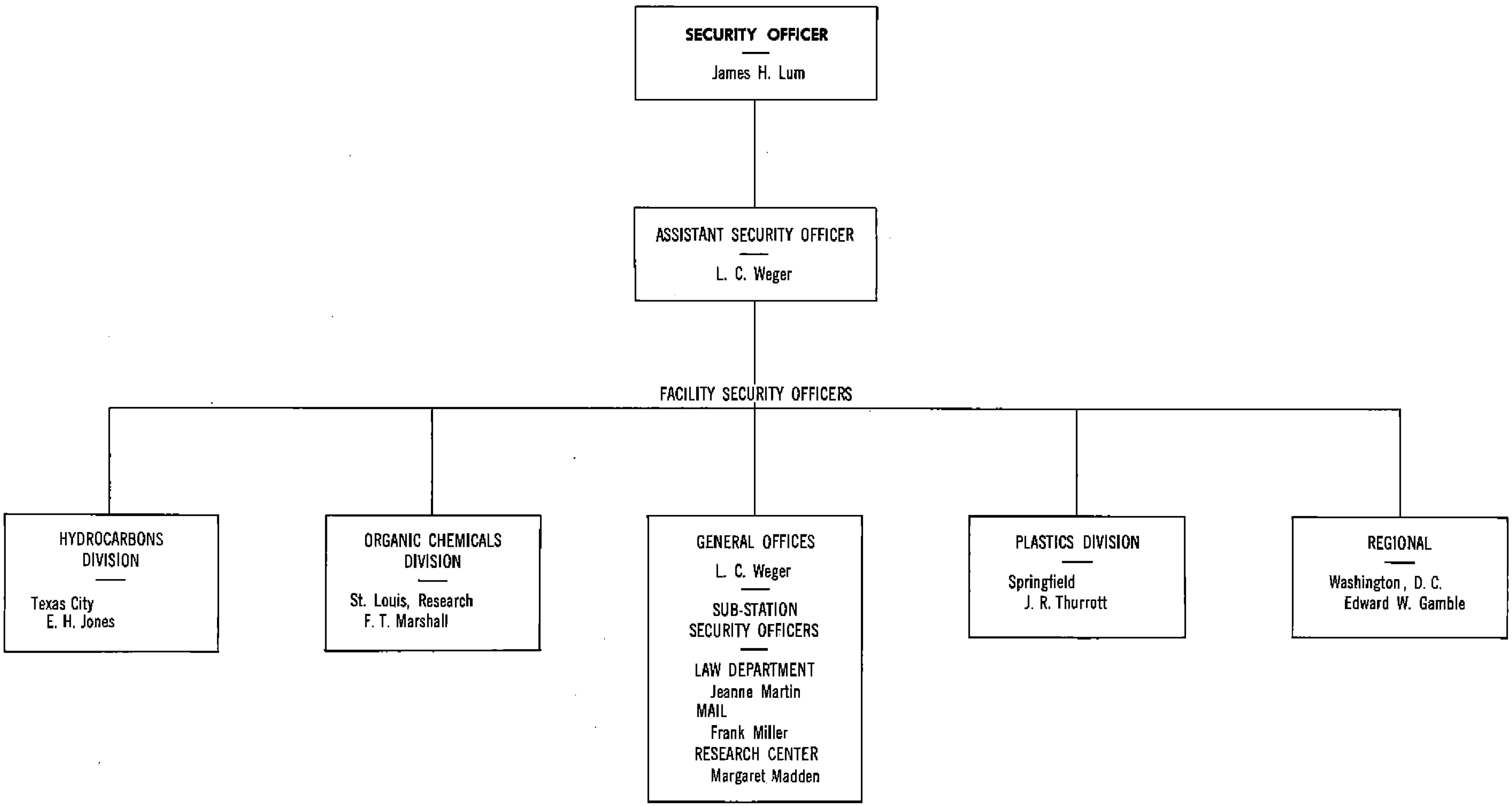
MONSANTO CHEMICAL COMPANY
Treasury Department
April, 1962



MONSANTO CHEMICAL COMPANY
Security Organization
April, 1962

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APPENDIX A

Monsanto Reference Publications

Booklets

Title: *John & Olga Queeny Educational Foundation Booklet*
Issued by: Trustees of the Foundation
Obtain from: Manager, Compensation & Personnel Practices Section, Personnel & Administrative Services Department

Title: *Management Men of Monsanto*
Issued by: Public Relations Department
Obtain from: Manager, Central Public Relations Section

Title: *Monsanto and the Press* (Press Relations Booklet)
Issued by: Public Relations Department
Obtain from: Manager, Central Public Relations Section

Title: *Monsanto Block M* Pamphlet
Issued by: Marketing Services Department
Obtain from: Marketing Services Department

Title: *Retirement Plan for Hourly Employes*
Issued by: Personnel & Administrative Services Department
Obtain from: Assistant Manager, Pension & Group Insurance Section

Title: *Retirement Plan for Salaried Employes*
Issued by: Personnel & Administrative Services Department
Obtain from: Assistant Manager, Pension & Group Insurance Section

Title: *Second Employes' Stock Plan Booklet* (Option)
Issued by: Treasury Department
Obtain from: Manager, Cashiers Section

Title: *Monsanto Employe Stock Purchase Plan*
Issued by: Personnel & Administrative Services Department
Obtain from: Assistant Manager, Pension & Group Insurance Section

Bulletins

Controller's Bulletins
Issued by: Accounting Department, Internal Audit Section
Obtain from: Controller

Description of Chart of Accounts
Issued by: Accounting Department, Internal Audit Section
Obtain from: Controller

Individuals Authorized to Approve Expenditures
Issued by: Accounting Department, Internal Audit Section
Obtain from: Controller

Policies and Practices for the Distribution of Reports
Issued by: President's Office
Obtain from: Assistant to the President

Request to Revise SARE Budget
Issued by: Accounting Department, Budgetary Control Section
Obtain from: Controller

Manuals

Title: *Disbursement Manual*
Issued by: Accounting Department, Internal Audit Section
Obtain from: Controller

Title: *Emergency Press Manual*
Issued by: Public Relations Department
Obtain from: Manager, Central Public Relations Section

Title: *Insurance Manual*
Issued by: Treasury Department
Obtain from: Manager, Insurance Section

Title: *Long-Range Plan, Objectives and Procedure*
Issued by: Corporate Planning
Obtain from: Vice President of planning and control

Title: *Monsanto Accident Prevention Manual*
Issued by: Personnel & Administrative Services Department
Obtain from: Manager, Safety & Fire Protection Section

Title: *Monsanto Management Guide*
Issued by: Assistant to the President
Obtain from: Assistant to the President

Title: *Performance Review Manual*
Issued by: Personnel & Administrative Services Department
Obtain from: Manager, Recruitment and Development Section

Title: *Personnel Administration Manual*
Issued by: Personnel & Administrative Services Department
Obtain from: Manager, Compensation & Personnel Practices Section

Title: *Procedure Manual—Salary Payrolls, Salaried and Hourly Pension Plans*
Issued by: Accounting Department, Payroll Section
Obtain from: Controller

Title: *Procedure for Project Control*
Issued by: Accounting Department, Internal Audit Section, in collaboration with Engineering Department, Research & Engineering Division
Obtain from: Controller

Title: *Property Accounting Manual*
Issued by: Accounting Department, Internal Audit Section
Obtain from: Controller

Title: *Salary Administration Manual*
Issued by: Personnel & Administrative Services Department
Obtain from: Assistant Manager, Salary Administration Section

Title: *Standard Practice Procedure for Safeguarding Classified Information*
Issued by: Assistant to the President
Obtain from: Assistant Security Officer

Title: *Trademark Digest*
Issued by: Patent Department
Available for Use in Patent Department

Reports

Annual Report
Issued by: Public Relations Department
Obtain from: Manager, Financial Communications Section

Annual Review
Issued by: Public Relations Department
Obtain from: Manager, Financial Communications Section

Quarterly Review
Issued by: Public Relations Department
Obtain from: Manager, Financial Communications Section

Other

Directory of Plant and Office Locations and Managing Personnel
(semi-annually revised)
Issued by: Public Relations Department
Obtain from: Manager, Central Public Relations Section

Monsanto Magazine
Issued by: Public Relations Department
Obtain from: Monsanto Magazine

News releases (back files)
Issued by: Public Relations Department
Obtain from: Manager, Central Public Relations Section

Wallet Facts Book
Issued by: Public Relations Department
Obtain from: Manager, Central Public Relations Section

K—Restricted Policies and Procedures

This section is provided so that you may save any other important company documents applicable to company or local policy.