PROCEDURE BULLETIN — TEXAS CITY PLANT P-0904

MONSANTO CHEMICALS INTERMEDIATES RELEASE OF SHIPMENTS

PLAINTIFF'S EXHIBIT

MON-1464

I. PURPOSE

The purpose of this bulletin is to provide a procedure for the proper release of all Monsanto Chemicals Intermediates (MCI) shipments from the Texas City Plant destined for sales and consumption by customers, including other Monsanto plants.

II. POLICY

It is the policy of MCI that all finished products and by-products be properly released from the Texas City plant. The person responsible for approving the release of shipments shall be designated by job title and cannot be a member of the production or marketing organizations. Release of shipments for Texas City guest departments will be handled according to the guest's Product Acceptability Guidelines.

III. SCOPE

This bulletin describes the standard procedure for procuring the release of MCI shipments from the Texas City plant. The mechanisms for obtaining approval for shipment release and the person designated to obtain and give approval for release are defined in the Responsibility section of this bulletin.

IV. DEFINITIONS

A. Release of Shipment - Local MCI authorization for sale or transfer of product.

B. In Specification Release - Release of product meeting requirements of the appropriate specification.

C. Out of Specification Release - Release, with customer approval, of material not meeting the appropriate specifications.

D. Rejected Materials - A rejected material is an out of specification finished product or by-product which has been rejected by the customer, rejected by plant supervision, or which does not meet a specification established by a regulatory agency or a specification established for safety or health purposes.

V. RESPONSIBILITIES

A. The Texas City plant Chief Chemist will have the responsibility of approving the release of all MCI out of specification shipments. It will be the responsibility of the Chief Chemist to

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notify Marketing, Process Technology and the manufacturing superintendent of the producing unit before approving the release and to document all facts. The Chief Chemist may delegate the authority, but not the responsibility.

B. Marketing will have the responsibility of contacting the customer, if deemed advisable, to obtain customer acceptance of any shipment not meeting agreed to or approved specifications. No customer contact shall be made without Marketing's approval.

C. Process Technology will have the responsibility of recommending approval or disapproval on shipments not meeting agreed to or standard specifications. Process Technology will make recommendations based on their knowledge of the customer's process and usage of the material.

D. Materials Handling will have the responsibility of holding carriers of out of specification material for approval of release from the Chief Chemist. Materials Handling will have the responsibility and authority to approve or reject test materials and/or carriers where test samples are shown to be out of specification on preloading water shipments, (i.e., 8-inch and dockline samples).

E. Manufacturing will have the responsibility for reviewing quality and releasing finished product or by-product storage tanks to Materials Handling for loading of shipment carriers.

VI. PROCEDURE

A. Sampling and Testing

1. Manufacturing will sample and release all finished product or by-product storage tanks to Materials Handling for shipment loading according to the manufacturing departmental procedures. These procedures should define a line of communication (Chief Chemist, Marketing and Process Technology) if the material is borderline in quality or out of agreed to specifications. Manufacturing shall have the prerogative to reject borderline quality or out of specification material and to not release the storage tank for shipment loading.

SC 004964

2. All shipment carriers, if regulatory agency rules do not supersede, will be sampled by Materials Handling personnel according to their sampling schedule for each type of carrier.

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3. The shipment samples will be tested by the Monomers Laboratory according to the laboratory product specification testing schedule.

B. In Specification Release

1. The Monomers Laboratory will transmit all analytical shipment data to Materials Handling. If the laboratory reports no out of specification analytical results, then the shipment will be considered approved for release. Materials Handling will review all analytical data to assure that the shipment does meet required specifications. Materials Handling will then release the shipment.

2. For water shipments, the pretesting of loading samples will be considered sufficient justification for release of the carrier before final loading sample analytical data has been obtained.

C. Out of Specification Release

1. The Monomers Laboratory will notify Materials Handling that the shipment does not meet specifications and should be held for review. A resample of the container will be requested.

2. Laboratory supervision will then notify the Chief Chemist of the out of specification results on the shipment.

3. If analytical results continue to show the material out of specification, the Chief Chemist will advise Marketing, Production and PT. Marketing will contact the customer, if deemed advisable, and request a customer release on the shipment specifications. If a customer release is not obtained or other factors negate a release of the shipment, the Chief Chemist will notify Materials Handling and Manufacturing of the shipment rejection.

4. If a water shipment is found to be out of specification after release of the carrier, the Chief Chemist will notify Marketing, Manufacturing and PT. Marketing will have the prerogative of contacting the customer, if deemed advisable, to obtain a customer release or to move the carrier to another customer who will accept the material.

5. In all cases where an out of specification shipment is accepted by a customer, Marketing will document the customer approval in writing to the Chief Chemist with

SC 004965

LAM006176

copies going to Materials Handling, Manufacturing, and PT. The Chief Chemist will issue a report, after investigation, on the details of the out of specification shipment. Input for this report will be supplied by Materials Handling, PT, the Monomers Laboratory, and Manufacturing. A copy of the report will be supplied to all involved departments and the Product Acceptability Manager for MCI.

VII. RECORD RETENTION

The Chief Chemist will maintain records on out of specification shipments as specified in Corporate Guidelines for record retention.

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