

*BASF-Monsanto AMT Meeting
May 12-13, 2011 North Carolina*

**BASF – Monsanto
6. Alliance Management Team Meeting
AGENDA & MEETING MINUTES
North Carolina – May 12-13, 2011**

Participants from BASF

AMT Members:

Reiner Emrich
Alyson Emanuel
Hans-Jürgen Lutz
Martin Steiniger

Patent Management Team:

Gary Pace

Guests:

Suzanne Flaton-Origenes
Ron Repage
Hendrik Ypema
Bob Yaklich
Markus Bold (via phone)
Ronald Wilhelm (via phone)

Participants from Monsanto

AMT Members:

Brian Adams
Tom Adams
Ricardo Madureira
Sheila Schuette

Patent Management Team:

Larry Lavin

Guests:

JC Buitrago (via phone)
Sally Metz (via phone)
Mike South (via phone)

Locations

Meeting

The Umstead, The Boardroom, Cary, NC

Dinner

Angus Barn, Raleigh, NC



Purpose of the Meeting

Regular quarterly meeting of the Alliance Management Team under the Monsanto-BASF Umbrella Agreement.

AGENDA & MEETING MINUTES

May 12 (14:00 – 17:00)

Phone Number STL/INT: (314) 694-4050
USA/Canada Toll Free: 1-877-694-4050
Meeting ID: 7497

- Opening and welcome (0.25 hour)
 - Introduction of new AMT Members and Chair
 - *Per Art. 3.7 of the Umbrella Agreement (UA), the Chairmanship transferred to Monsanto for the second year of the agreement. The team thanked Reiner Emrich for his leadership throughout the first year of the collaboration and welcomed Brian Adams, who is replacing Brad Griffith, and will now serve as Chair. The team also welcomed Ricardo Madureira, who is replacing JC Buitrago on the AMT.*
 - Meeting principles and antitrust guidelines
 - *Suzanne Flaton-Origenes reviewed the antitrust guidelines, which are attached to these minutes, and reminded the two companies of their obligations.*

- Operational topics (0.25 hour)
 - Review agenda for today's meeting
 - *The agenda was reviewed and approved.*
 - Review and approve minutes of the August 2010 AMT Meeting
 - *The revised minutes were reviewed by the AMT and approved. The approved minutes and the other materials from the Aug 2010 meeting are attached.*
 - Review and approve minutes of the October 2010 PMT Meeting
 - *The minutes were reviewed by the AMT and approved. The approved minutes are attached.*

- PMT Report (1.0 hour)
 - Report from the last PMT Meeting (May 2011)
 - Review the status of Annexes 1.9.1(b) and 1.9.1(c)
 - *Larry Lavin reported on the outcomes of the PMT meeting that was held May 11, 2011 via teleconference.*
 - **ACTION:** *Larry will prepare draft minutes that will be reviewed by the other members of the PMT and subsequently reviewed by the AMT at the next meeting.*
 - **ACTION:** *Each company should gather and compile protocols for tests conducted on F500 / glyphosate and Kixor mixtures using material provided by the other party in order to complete Annexes 1.9.1(b) and (c) of the UA. It was agreed that the list of protocols from the prior seed treatment work was complete.*

- **ACTION:** It was agreed that another meeting is required to review the detailed data from the seed treatment field tests that have been conducted by Monsanto since 2007 in order to finalize Annexes 1.9.1(b) and (c) of the UA. BASF will provide Monsanto with a specific request on what they would like to see. Monsanto will propose dates for the meeting.
- The PMT discussed how to avoid surprises between the companies related to patent applications. It was agreed that the PMT will share the title and filing date of patent applications following the one year anniversary of the priority filing date for any inventions that could be considered Collaboration IP or Background IP as those terms are used in the UA and the DT System Agreement.

- DT System Agreement (1.0 hour)
 - Update on May 4-6 Kick-Off Meeting
 - Review status of Work Plans
 - Next Steps
 - Ron Repage provided an update of the Kick-Off meeting (slide deck attached).
 - The AMT discussed the Working Groups' recommendation for formation of a sub-committee to focus on Brazil and South America and highlighted the need for involvement by the global leads.
 - **ACTION:** Ron and Sheila to propose team structure and membership for review and approval at the next AMT meeting.
 - The AMT also discussed the potential to launch a pre-mix of dicamba and glyphosate in Brazil due to the prohibition against tank mixtures in that country.
 - **ACTION:** Each company to review the regulatory situation in Brazil and discuss at the next AMT meeting.
- Review Update for Executive Meeting (0.5 hour)
 - The AMT reviewed the key messages for the Executive meeting (attached). At that meeting, several suggestions were made, including evaluation of a potential industry-wide approach to off-site movement, the need to understand the role of tank/sprayer cleanout, and the need to have key stakeholders aligned prior to Farm Progress.
- Adjourn

Executive Meeting (17:30 – 18:15)

DT System Agreement Celebration Dinner (18:30 – 21:45)

May 13 (9:00 to 13:00)

Phone Number STL/INT: (314) 694-4050
USA/Canada Toll Free: 1-877-694-4050
Meeting ID: 7987

- F500 + Glyphosate Product Proposal (1.0 hour)
 - Value share

- Decision whether to move to a Project Agreement
 - *Sally Metz and Martin Steiniger reported on the current status of the value share discussions (slide deck attached). Based on current assumptions, it will be difficult to capture the value a premix would bring to the growers. The AMT therefore decided that the Project Proposal will be allowed to expire on July 1, 2011 (although that date could be extended for a short period if necessary to collect all of the field data) and therefore become a Terminated Product in accordance with the Umbrella Agreement.*

- Seed Treatment Project Agreement (1.5 hour)
 - Discuss Proposed Product Ideas for collaboration under the Umbrella Agreement
 - Approve Product Idea(s) for advancement
 - Discuss process and timeline for preparing Project Agreement(s)
 - Discuss separation of commercial and research activities
 - *The AMT reviewed the proposed Product Ideas (slide deck attached).*
 - *One of the proposed Product Ideas is to develop a product for control of mid-season soybean diseases using elevated amounts (above the proposed seedling disease label rates) of F700. The AMT also noted that Monsanto and BASF are currently negotiating a five-year commercial supply agreement for F500/F700 for use on soy and cotton, where F700 would be used at the proposed seedling disease labeled recommendations. The AMT agreed that discussions of the mid-season soybean diseases Product Idea should be separated from the commercial supply agreement currently under negotiation, and further agreed that any value created for mid-season disease control from the new Product Idea would be addressed in the related future Project Agreement.*
 - **ACTION:** *The PMT will propose a mechanism to allow material transfer for field trials of products that have already been developed by BASF, which may consist of a simple transmittal letter with protocols attached.*
 - **ACTION:** *Mike South and Ronald Wilhelm will refine the Product Idea for control of mid-season soybean diseases for review at the next AMT meeting.*

- Kixor + Glyphosate / Kixor + Acetochlor (0.25 hour)
 - Status of discussions
 - Next steps
 - *Monsanto reported that developing these premix products is not currently a high priority. BASF stated that they would be open to discuss supplying Kixor should Monsanto's priorities change in the future.*

- Lunch (11:45) (0.5 hour)

- Review key outcomes and action items (0.5 hour)
 - *Outcomes and action items were reviewed by the group.*

- Next meeting (0.25 hour)

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- *The next meeting is scheduled as a conference call for June 10. The backup date is June 24.*
- *The AMT will also plan to meet for a half day during the Farm Progress Show in Decatur, IL (Aug. 30 – Sept. 1).*

- END of AMT Meeting -

MEETING GUIDELINES AND PRINCIPLES

I. PURPOSE:

The parties recognize that in some circumstances they are current or potential competitors. They wish to avoid discussing competitively sensitive information to prevent improper communications or even the appearance of impropriety, as each party understands the implications of the pertinent antitrust laws. Accordingly, the parties have agreed to follow these Guidelines and Principles during their discussion or negotiation of the Agenda Items.

II. CONFIDENTIALITY AGREEMENT:

The parties agree that the Article 7 provisions of the Umbrella Agreement on Confidentiality will cover the exchange of information necessary to evaluate the various transactions which are the subject of the Agenda for each AMT meeting. Although such an agreement is important for the protection of proprietary information, the parties recognize that the existence of such agreement and the Article 7 confidentiality provisions do not affect the application of relevant antitrust laws, or excuse conduct inconsistent with such laws.

III. MEETING DO'S AND DON'TS

Discussions between the parties will be limited to topics **necessary to discuss or negotiate the Agenda items**. The parties agree that they will not deviate from the Agenda. The parties will not discuss information that relates to markets in which they compete or there is a reasonable possibility that they will compete, such as information related to the marketing or pricing of finished goods or the procurement of inputs.

For example:

With respect to pricing and marketing for items not on the Agenda, the parties **WILL NOT DISCUSS:**

- Either party's marketing strategies, including the identity of customers or territories.
- Either party's pricing policies, including the prices they charge for products; any provisions of either party's contracts with customers that affect pricing; pricing plans and strategies; price differentials; mark-ups; discounts or rebates; payment, credit or other trading terms and conditions, etc.
- Industry pricing practices, price levels, price changes, differentials, and the like.
- Either party's views as to future price trends or views on announced or contemplated price increases.
- Either party's views as to future sales projections.
- Changes in industry production, capacity or inventories.
- Bids, including a company's intent to bid or not for a particular contract.
- Refusal to deal with a supplier or customer

With respect to inputs and capacity for items not on the Agenda, the parties **WILL NOT DISCUSS:**

- Either party's current or anticipated future costs of production and operations, including the costs or sources of feedstock and feedstock volume trends, including import trends; transportation costs; SG&A and other overhead costs; R&D costs, etc.
- Either party's views as to market-wide capacity trends.
- Either party's capacity plans as a general matter or with respect to a specific facility beyond the fact that either party has (or does not have) the necessary capacity.
- Either party's production strategy; plans to expand or reduce output; current or expected levels of orders; plant designs, etc.
- Technical plans for development; research projects; planned innovations; trade secrets; or other proprietary technology and data, etc.

Although Counsel, if present, will supervise the conduct of the meeting from this perspective, IT IS THE CONTINUING RESPONSIBILITY OF ALL ATTENDEES TO ENSURE ADHERENCE TO THIS PROCEDURE AND TO THE AGENDA ITEMS.

IV. MEETING MINUTES

In order to ensure these Guidelines and Principles are adhered to, the person designated to take minutes will distribute promptly afterwards a draft to all parties in attendance, and counsel for each party (whether or not in attendance). Unless any comments or changes are submitted by the recipients in a timely fashion, the minutes will be deemed approved. If comments are received, the minutes will be updated accordingly and then distributed in final form to each attendee and counsel. Email transmission of the minutes is acceptable. The minutes and any other notes pertaining to the meeting should be retained for your records. BASF employees shall be required to retain such records in accordance with Corporate Policy BC 037 Records Retention Policy.