

SECURITIES AND EXCHANGE COMMISSION

FORM DEF 14A

Definitive proxy statements

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FILER

PIONEER HI BRED INTERNATIONAL INC

CIK: **78716** | IRS No.: **420470520** | State of Incorporation: **IA** | Fiscal Year End: **0831**
Type: **DEF 14A** | Act: **34** | File No.: **001-11551** | Film No.: **97728935**
SIC: **0100** Agricultural production-crops

Mailing Address
6800 PIONEER PKWY
PO BOX 316
JOHNSTON IA 50131

Business Address
700 CAPITAL SQ
400 LOCUST ST
DES MOINES IA 50309
5152453500

[] WITHHOLD FROM ALL NOMINEES

(Instructions: To withhold authority to vote for any individual nominee, write that nominee's name in the space provided above.)

2. To approve an amendment to the Articles of Incorporation to create a new Class B common stock.

[] FOR [] AGAINST [] ABSTAIN

3. To approve an amendment to the Articles of Incorporation to increase the authorized shares of Common Stock.

[] FOR [] AGAINST [] ABSTAIN

4. To ratify the appointment of KPMG Peat Marwick LLP as independent auditors.

[] FOR [] AGAINST [] ABSTAIN

Please sign exactly as name appears on this Proxy. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by the president or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Signature _____

Date _____

Signature _____

Date _____

MARK HERE FOR ADDRESS CHANGE AND NOTE BELOW []

MARK HERE IF YOU PLAN TO ATTEND THE MEETING []

[LOGO]

PIONEER HI-BRED INTERNATIONAL, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be held
January 27, 1998

Dear Shareholders:

You are cordially invited to attend the Annual Meeting of the Shareholders of Pioneer Hi-Bred International, Inc. to be held at the Maytag Auditorium (Studio 3) at Iowa Public Television, 6450 Corporate Drive, Johnston, Iowa 50131 on Tuesday, January 27, 1998, at 2:00 P.M., Central Standard Time, for the following purposes:

1. To elect seven (7) Directors.
2. To approve an amendment to the Articles of Incorporation to create a new class of Common Stock called Class B Common Stock.
3. To approve an amendment to the Articles of Incorporation to increase the authorized shares of Common Stock.
4. To ratify the appointment of KPMG Peat Marwick LLP as independent auditors.
5. To transact such other business as may properly come before the meeting or any adjournments thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this notice.

The close of business on November 28, 1997, has been fixed as the record date for determining the Shareholders entitled to notice of, and to vote at, this meeting. Such Shareholders may vote in person or by Proxy. The stock transfer books will not be closed.

IF YOU ARE UNABLE TO ATTEND THE MEETING, PLEASE DATE, SIGN, AND RETURN PROMPTLY THE ACCOMPANYING PROXY, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. THANK YOU IN ADVANCE FOR YOUR COOPERATION.

BY ORDER OF THE BOARD OF DIRECTORS

Jerry L. Chicoine, Secretary

December 10, 1997

PIONEER HI-BRED INTERNATIONAL, INC.
800 Capital Square, 400 Locust Street
Des Moines, Iowa 50309
(515) 248-4800
Corporate Headquarters

P R O X Y S T A T E M E N T

The enclosed Proxy is being solicited by the Board of Directors of Pioneer Hi-Bred International, Inc. (the "Company") in connection with the Annual Meeting of Shareholders to be held on January 27, 1998, or at any adjournment or adjournments thereof. To assure adequate representation at the Annual Meeting, Shareholders are requested to promptly sign and return the enclosed Proxy. The Proxy Statement and Proxy are first being mailed to Shareholders on or about December 10, 1997.

RECORD DATE; VOTING OF SHARES

Only Shareholders of record at the close of business on November 28, 1997, will be entitled to vote at the Annual Meeting.

As of the close of business on November 4, 1997, there were 65,756,873 shares of Common Stock outstanding and there were 164,445.86 shares of Series A Convertible Preferred Stock ("Preferred Stock") outstanding. The exact number of votes which the holders of the outstanding shares of Common Stock as of close of business on November 28, 1997 will be entitled to cast at the 1998 Annual Meeting cannot be determined at the date of this Proxy Statement because a Shareholder of Common Stock has until January 22, 1998, to establish (in accordance with the procedures set out in Exhibit A) that the Shareholder is entitled to more votes than indicated on the Shareholder's Proxy. In summary, each share of Common Stock beneficially owned continuously by the same person since November 28, 1994 will be entitled to five (5) votes per share and all other shares are entitled to one (1) vote per share. Exhibit A to this Proxy Statement outlines the procedures for determining when changes in beneficial ownership are deemed to occur.

Shares of Preferred Stock are owned by a wholly-owned subsidiary of E.I. du Pont de Nemours and Company ("DuPont"). Shares of Preferred Stock are convertible (on the basis of 100 shares of Common Stock for each share of Preferred Stock) automatically upon the transfer of beneficial ownership of such shares of Preferred Stock to a person not a member of a DuPont group (generally defined as an affiliate of DuPont) and under certain other limited circumstances. The Preferred Stock is a Common Stock equivalent on the basis of the number of shares into which the Preferred Stock is convertible. The Preferred Stock will vote together as a class with the holders of shares of Common Stock on all matters, including the election of directors, on which the holders of shares of Common Stock are entitled to vote with the voting power at all times (regardless of the number of votes that may be cast at any meeting based on the Company's existing time-phased voting structure described above for Common Stock) equal to its percentage Common Stock equivalent economic ownership interest in the Company. In no event will DuPont's aggregate voting power represented by the Preferred Stock exceed 20%. As of the close of business on November 4, 1997, the Preferred Stock economic interest was equal to approximately 20% and, as a result, the Preferred Stock voting power was approximately 20%.

Proxies furnished by Shareholders pursuant hereto will be voted in accordance with the directions on such Proxies. If no choice is specified, the Proxy will be voted (i) for the election of the nominees listed under "Election of Directors"; (ii) for approval of an amendment to the Articles of Incorporation to create a new class of Common Stock called Class B Common Stock; (iii) for approval of an amendment to the Articles of Incorporation to increase the authorized shares of Common Stock; (iv) for ratification of the appointment of KPMG Peat Marwick LLP as independent auditors; and (v) at the discretion of the Proxy holders with regard to such other business as may come before the meeting. If for any reason, one or more of the nominees should be unable or refuse to serve as a Director (an event which is not anticipated), the person named in the enclosed Proxy will vote for substitute nominees of the Board of Directors unless otherwise instructed. The Board of Directors knows of no matter to come before the meeting other than those set forth in the Proxy Statement. If any further business is presented at the meeting, the persons named in the Proxy will act on behalf of the Shareholders they represent according to their best judgment.

Abstentions and broker nonvotes are counted for purposes of determining the presence of a quorum. Abstentions and broker nonvotes are not counted for purposes of determining the election of Directors, for approval of an amendment to the Articles of Incorporation to create a new class of Common Stock called Class B Common Stock, for approval of an amendment to the Articles of Incorporation to increase the authorized shares of Common Stock, or ratification of auditors.

REVOCABILITY; COSTS

Any Shareholder giving a Proxy has the power to revoke it at any time before it is voted. Revocation of a Proxy is effective upon receipt by

the Secretary of the Company of either (i) an instrument revoking it, or (ii) a duly executed Proxy bearing a later date. In addition, a Shareholder who is present at the Annual Meeting may revoke the Shareholder's Proxy and vote in person if the Shareholder so desires.

The cost of the solicitation of Proxies will be borne by the Company. Proxies may be solicited personally, by telephone, or by fax, by a few regular employees of the Company. The Company will reimburse brokers and other persons holding stock in their name, or in the name of nominees, for their expenses in sending Proxy material to principals and obtaining their Proxies.

PROPOSAL 1
ELECTION OF DIRECTORS

The Articles of Incorporation of the Company provide for the classification of the Board of Directors into three (3) classes with the Directors of each class being elected for a term of three (3) years. The term of each Director currently serving in Class II and Class III, except for William F. Kirk, extends to the Annual Meetings of Shareholders in 1999 and 2000, respectively, and until a successor is elected and qualified. At the Annual Meeting of Shareholders on January 27, 1998, six (6) Class I Directors are to be elected to serve until the Annual Meeting of Shareholders in 2001, and one (1) Class II Director is to be elected to serve until the Annual Meeting of Shareholders in 1999, and until their successors are elected and qualified. Pursuant to the Investment Agreement between the Company and DuPont, more fully described in "Proposal 2: Approval of an Amendment to the Articles of Incorporation to Create a New Class of Common Stock Called Class B Common Stock," DuPont is required to vote its approximate 20% voting power "FOR" the nominees. A "FOR" vote by a majority of votes cast is required for election of each nominee. Following are (i) a list of nominees, and (ii) a list of other Directors currently serving in Class II and Class III. See "Record Date; Voting of Shares" for a description on the voting rights of Common Stock and Preferred Stock voting as one class.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES.

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Information Concerning Nominees

Name	Age at 10/20/97	Director Since	Background
----	-----	-----	-----
Class I -- Term Expires in 2001 -----			
<S>	<C>	<C>	<C>
Dr. Pedro M. Cuatrecasas...	61	1991	Since January 1997, Dr. Cuatrecasas has been a consultant in pharmaceutical and health sciences, operating out of Rancho Santa Fe, California. Dr. Cuatrecasas is also a consultant for Warner-Lambert Company, Morris Plains, New Jersey (a pharmaceutical company). From 1989 to 1997, Dr. Cuatrecasas served as Vice President of Warner-Lambert Company and as President of its Pharmaceutical Research Division, Ann Arbor, Michigan. Dr. Cuatrecasas is a director of Alliance Pharmaceuticals, San Diego, California (a pharmaceutical company); and Mitokor, San Diego, California (an early research pharmaceutical company).
Charles O. Holliday, Jr....	49	1997	Mr. Holliday was appointed as a Director of the Company on September 18, 1997, the closing

date of the equity transaction with DuPont, more fully described below in the section entitled "Proposal 2: Approval of an Amendment to the Articles of Incorporation to Create a New Class of Common Stock Called Class B Common Stock." Since October 1997, he has served as President of DuPont, Wilmington, Delaware (a global chemical, energy and life sciences company). Since July 1997, he has served as a Director of DuPont. From October 1995 to October 1997, he served as Executive Vice President and member of the Office of the Chief Executive of DuPont. He also served as Chairman of DuPont Asia-Pacific division from 1995 to 1997. He served as Senior Vice President of DuPont from 1992 to 1995 and as President of DuPont Asia-Pacific from 1990 to 1995. He also is a director of Analog Devices, Inc., Norwood, Massachusetts (an integrated circuit manufacturer). Mr. Holliday is also a director of DuPont Photomasks, Inc., Round Rock, Texas (a global photomask, photoblanks and pellicles manufacturer). Mr. Holliday was selected by DuPont to be nominated as its representative to the Board of the Company. The Company has an obligation pursuant to the Investment Agreement dated as of August 6, 1997, between DuPont and the Company to nominate two representatives to the Company's Board, or three representatives in certain circumstances. DuPont has a 20% equity interest in the Company.

- | | | | |
|-------------------------|----|------|---|
| Fred S. Hubbell..... | 46 | 1990 | <p>Since October 1997, Mr. Hubbell has been President and Chief Executive Officer of U S Life and Annuity Companies ING Group North America of Atlanta, Georgia (a life insurance and annuities company), which is a subsidiary of ING Financial Service International North America, Atlanta, Georgia (a financial services company). He also serves as a Director of ING America Insurance Holdings, Inc., Atlanta, Georgia (an insurance holding company). From April 1993 to October 1997, Mr. Hubbell served as Chairman of Equitable of Iowa Companies, Des Moines, Iowa (a life insurance and annuities company). Mr. Hubbell held the positions of Chief Executive Officer from April 1989 to October 1997 and President from May 1987 to October 1997 of Equitable of Iowa Companies. Mr. Hubbell is also a Director of The Macerich Company, Santa Monica, California (a shopping center REIT).</p> |
| Charles S. Johnson..... | 59 | 1981 | <p>Mr. Johnson was named Chairman of the Board of the Company in December 1996. Mr. Johnson has served as President and Chief Executive Officer of the Company since September 1995. Mr. Johnson previously was President and Chief Operating Officer from March 1995 to September 1995. Mr. Johnson was Executive Vice President from March 1993 to March 1995. Since 1973, Mr. Johnson has served in an executive position with the Company. Mr. Johnson is also a Director of NationsBank, N.A.-Iowa, Des Moines, Iowa (a national bank), The Principal Financial Group (a financial services company) and Gaylord Container Corporation (a national manufacturer and distributor of brown paper and packaging products), each of Des Moines, Iowa.</p> |

H. Scott Wallace.....	46	1988	Mr. Wallace is the Director of the Division of Defender Legal Services for the National Legal Aid and Defender Association, Washington, D.C. From 1992 to 1997, Mr. Wallace was a criminal justice and government relations consultant. From 1985 to 1992, Mr. Wallace was Legislative Director, National Association of Criminal Defense Lawyers, Washington, D.C.
Herman H.F. Wijffels.....	55	1990	Since 1986, Mr. Wijffels has been Chairman of the Executive Board of Rabobank Nederland, The Netherlands (a cooperative banking organization doing business internationally).

Class II--Term Expires in 1999

William F. Kirk.....	55	1997	Mr. Kirk was appointed as a Director of the Company on September 18, 1997, the closing date of the equity transaction with DuPont, more fully described in the section entitled "Proposal 2: Approval of an Amendment to the Articles of Incorporation to Create a New Class of Common Stock Called Class B Common Stock." He is a Senior Vice President of DuPont. He was Vice President and General Manager of DuPont Agricultural Products from 1990 to November 1997. He had served as General Manager of DuPont Agricultural Products from 1985 to 1990. Mr. Kirk was selected by DuPont to be nominated as its representative to the Board of the Company. The Company has an obligation pursuant to the Investment Agreement dated as of August 6, 1997, between DuPont and the Company to nominate two representatives to the Company's Board, or three representatives in certain circumstances. DuPont has a 20% equity interest in the Company.
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Information Concerning Directors Continuing in Office

Name	Age at 10/20/97	Director Since	Background
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Class II--Term Expires in 1999

<S>	<C>	<C>	<C>
Dr. F. Warren McFarlan.....	60	1987	Dr. McFarlan is the Albert E. Gordon Professor of Business Administration, Harvard University Graduate School of Business Administration and has been tenured since 1973. Dr. McFarlan is a Director of Providian Financial Corporation, San Francisco, California (a credit card company) and Computer Sciences Corporation, Los Angeles, California (a computer system integration company).
Dr. Owen J. Newlin.....	69	1967	From 1978 to 1993, Dr. Newlin served in an executive position with the Company. Dr. Newlin retired as Senior Vice President of the Company in April 1993. Dr. Newlin is the President of the Board of Regents State of Iowa, Des Moines, Iowa (the governing body of the three public universities and the two

special schools in the state of Iowa) and a Director of NationsBank N.A.-Iowa, Des Moines, Iowa (a national bank).

Thomas N. Urban.....	63	1973	Mr. Urban served as Chairman of the Board of the Company from 1984 to December 1996. Between 1984 and March 1995, Mr. Urban served as President. Mr. Urban served as Chief Executive Officer from March 1995 to August 1995. From August 1995 to May 1997, Mr. Urban was a Visiting Professor at Harvard Graduate School of Business. Mr. Urban is also a Director of ING America Insurance Holdings, Inc., Atlanta, Georgia (an insurance holding company); Sigma Aldrich Corporation, St. Louis, Missouri (a research chemicals company); and The Case Corporation, Racine, Wisconsin (a construction and agricultural equipment company).
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Name -----	Age at 10/20/97 -----	Director Since -----	Background -----
Class III--Term Will Expire in 2000 -----			
<S>	<C>	<C>	<C>
Nancy Y. Bekavac.....	50	1994	Since July 1990, Ms. Bekavac has been President of Scripps College, Claremont, California. Ms. Bekavac is also a Director of Electro Rent Corp., Van Nuys, California (a computer and electronic test and measurement equipment rental company).
C. Robert Brenton.....	67	1973	Since 1990, Mr. Brenton has been Chairman of the Board of Brenton Banks, Inc., and is currently Chairman and a Director of Brenton Banks, Inc., Des Moines, Iowa.
Luiz Kaufmann.....	52	1994	Since November 1993, Mr. Kaufmann has been the President and CEO of Aracruz Celulose S.A., Rio de Janeiro, Brazil (a pulp producer). From November 1990 through October 1993, Mr. Kaufmann was the Executive Vice President of Petropar S.A., Porto Alegre, Brazil (an investment holding company).
Dr. Virginia Walbot.....	51	1985	Since 1989, Dr. Walbot has been a Professor at Stanford University's Department of Biological Sciences, Stanford, California.
Fred W. Weitz.....	68	1978	Since 1995, Mr. Weitz has been the President of Essex Meadows, Inc., Des Moines, Iowa (an operator of proprietary retirement communities and owner of commercial real estate). From 1964 to 1995, Mr. Weitz was the President of The Weitz Corporation, Des Moines, Iowa (a building construction and real estate development company). Mr. Weitz is also a Director of The Principal Financial Group (a financial services company) and Wilian Holding Company (parent company of Economy Forms Corp., a manufacturer of concrete forms), both of Des Moines, Iowa.

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COMMITTEES OF THE BOARD OF DIRECTORS

The Company has a standing Audit Committee, Compensation Committee, and Nominating Committee.

The Audit Committee is composed of four (4) Directors: Herman H.F. Wijffels (Chairman), C. Robert Brenton, Dr. Owen J. Newlin and Dr. Virginia Walbot. This Committee has general oversight responsibility with respect to the Company's financial reporting, including making recommendations to the Board of Directors as to the independent accountants of the Company, reviewing with independent accountants the scope of their examination and other matters, and reviewing generally the internal auditing procedures of the Company. The Audit Committee meets as required and met four (4) times during fiscal year 1997.

The Compensation Committee administers all executive compensation programs of the Company. During fiscal year 1997 the Committee was composed of three (3) Directors: Fred S. Hubbell (Chairman), Dr. Pedro Cuatrecasas and Luiz Kaufmann. The Compensation Committee meets as required and met three (3) times during fiscal year 1997.

The Nominating Committee is composed of six (6) Directors: Dr. F. Warren McFarlan (Chairman), Thomas N. Urban, H. Scott Wallace, Nancy Y. Bekavac, Fred W. Weitz and Charles S. Johnson. This Committee establishes criteria for and presents the names of the nominees for membership on the Board of Directors, including those nominees recommended by Shareholders, to the Board of Directors for approval. In addition, it is the responsibility of this Committee to continue to search for persons qualified to be members and to bring to the attention of the Chairman and the Board of Directors any proposed nominees for further consideration and action.

The Committee will consider nominees recommended by Shareholders. Any such recommendation must be sent to the Secretary of the Company in accordance with the procedure set forth in the Company's Bylaws. Shareholders may nominate candidates for the Board of Directors at an annual meeting of Shareholders, only if prior written notice of such intention has been given to the Secretary of the Company not later than 90 days prior to the anniversary date of the record date set for the immediate preceding year's annual meeting of Shareholders and with respect to election to be held at a special meeting of Shareholders, only if prior notice of such intention has been given to the Secretary of the Company not later than the close of business on the tenth day following the date on which notice of such meeting is first given to Shareholders. Such notice shall include (a) the names and addresses of the Shareholder and nominee, (b) a description of all arrangements or understandings between the Shareholder, nominee and other persons (naming such persons) regarding the nomination, (c) the consent of the nominee to serve as a Director, if elected, and (d) a representation that the Shareholder is the holder of record of Company stock and intends to appear in person or by proxy to nominate the person specified in the notice. In addition, the notice shall include such other information regarding the nominee as would be required to be included in a Proxy Statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated by the Board of Directors.

The Nominating Committee is also responsible for establishing criteria for the election of directors; reviewing management's evaluation of any officers proposed for nomination to the Board of Directors; and reviewing the qualifications of, and, when appropriate, interviewing candidates who may be proposed for nomination to the Board of Directors, including those nominees recommended by Shareholders. The Nominating Committee meets as required and met two (2) times during fiscal year 1997.

The Board of Directors met six (6) times during fiscal year 1997. All members attended at least 75% of the total number of meetings of the Board of Directors and of the Committees of the Board on which they serve.

The table on the following page shows the shares of Common Stock beneficially owned on November 4, 1997, by (i) each Director, (ii) each of the Named Executive Officers as defined in "Compensation-Executive Compensation," (iii) all Executive Officers and Directors as a group, and (iv) each person known by the Company to own more than 5% of the Common Stock or to own Series A Convertible Preferred Stock, which is convertible into more than 5% of the Common Stock of the Company.

Name ----	Shares Beneficially Owned (FN1) -----	Percent of Class (FN2) -----
OVER 5% BENEFICIAL OWNERS:		
Jean Wallace Douglas.....	6,474,450 (FN3)	7.9%
Robert B. Wallace.....	4,824,186 (FN4)	5.9%
E.I. du Pont de Nemours and Company.....	16,444,586 (FN5)	20.0%
OTHERS:		
Nancy Y. Bekavac	2,217	(FN*)
C. Robert Brenton	1,478	(*)
Jerry L. Chicoine	56,075	(*)
Dr. Pedro M. Cuatrecasas	2,471	(*)
Charles O. Holliday, Jr.....	0 (FN6)	(*)
Fred S. Hubbell	4,472	(*)
John D. James	24,734	(*)
Charles S. Johnson	62,831	(*)
Luiz Kaufmann.....	1,767	(*)
William F. Kirk.....	0 (FN7)	(*)
Dr. Richard L. McConnell.....	27,455	(*)
Dr. F. Warren McFarlan	4,444	(*)
Dr. Owen J. Newlin	575,072	(*)
Thomas N. Urban	270,231 (FN8)	(*)
Dr. Virginia Walbot	1,421	(*)
H. Scott Wallace	676,281	(*)
Fred W. Weitz	6,826	(*)
Robert K. Wichmann.....	46,093	(*)
Herman H.F. Wijffels	1,787	(*)
All Executive Officers and Directors as a Group (35 persons)	2,041,660	2.5%

[FN]

(*) The number of shares owned represents less than 1% of the outstanding stock.

- 1 Shares listed include Restricted Stock which have restrictions on transfer for five (5) years after the date of grant. Unless otherwise indicated in the notes, where applicable, each shareholder and/or the spouse of the shareholder, have sole voting and investment power with respect to the shares beneficially owned.
- 2 Based solely on the number of outstanding shares of Common Stock plus the number of shares of Common Stock issuable upon conversion of all Series A Convertible Preferred Stock owned by DuPont; does not take into account disparities in voting rights which may arise due to the fact that some shares of Common Stock are entitled to five (5) votes per share and some shares are entitled to one (1) vote per share.
- 3 Mrs. Douglas' address is c/o W. Leslie Douglas, 725-15th Street, N.W., Washington, D.C. 20005.
- 4 Mr. Wallace's address is 1990 M Street, Suite 250, Washington, D.C. 20036.
- 5 Shares listed are 16,444,586 shares of Common Stock which are

issuable upon the conversion of the 164,445.86 shares of Series A Convertible Preferred Stock. Shares of Preferred Stock are convertible (on the basis of 100 shares of Common Stock for each share of Preferred Stock) automatically upon the transfer of beneficial ownership of such shares of Preferred Stock to a person not a member of a DuPont group (generally defined as an affiliate of DuPont) and under certain other limited circumstances. The Preferred Stock is a Common Stock equivalent on the basis of the number of shares into which the Preferred Stock is convertible. DuPont holds the shares through its U.S. wholly-owned subsidiary, Du Pont Chemical and Energy perations, Inc.

- 6 Mr. Holliday is a director and President of DuPont. DuPont holds shares through its U.S. wholly-owned subsidiary, Du Pont Chemical and Energy Operations, Inc. See footnote 5 above.
- 7 Mr. Kirk is a Senior Vice President of DuPont.
- 8 Includes 16,042 shares held by a charitable foundation for which Mr. Urban is one of the trustees, of which he disclaims beneficial ownership, and 2,215 shares held by trusts for which Mr. Urban is a trustee, of which he disclaims beneficial ownership.

</FN>

EXECUTIVE OFFICERS

Set forth below are the names, ages, titles, and present and past positions of the persons serving as Executive Officers of the Company.

<TABLE>
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Name	Age at 10/20/97	Officer Since	Background
----	-----	-----	-----
<S>	<C>	<C>	<C>
Wayne L. Beck	49	1993	Mr. Beck was elected to his present position as Vice President, Supply Management, effective March 1993, and since 1988 has served as Director of North American Seed Division-Production.
Carrol D. Bolen.....	59	1983	Mr. Bolen was elected to his present position as Vice President effective January 1983. In 1995, Mr. Bolen was named to his current position as Vice President and Director of Legal and Government Affairs. Mr. Bolen served as Director of the Company's Specialty Plant Products Division from September 1988 until 1994, when he was appointed Director of Business Development.
Dr. Anthony J. Cavalieri ..	46	1995	Dr. Cavalieri was elected to his present position as Vice President effective March 1995, and serves as Director of Trait and Technology Development. From December 1990 to January 1994, Dr. Cavalieri was Director, Technology Support, and from January 1994 to March 1995 was Director, Trait and Technology Development.
Jack A. Cavanah	59	1991	Mr. Cavanah was elected to his present position as Vice President effective March 1991, and serves as Director of Corn Research.
Jerry L. Chicoine	55	1988	Mr. Chicoine was elected to his present position as Executive Vice President and Chief Operating Officer effective September 1997. Mr. Chicoine also has served as Corporate Secretary since March 1990. Mr. Chicoine

served as Senior Vice President from March 1990 to September 1997 and as Chief Financial Officer from March 1990 to November 1997.

Dwight G. Dollison	54	1988	Mr. Dollison was elected to his present position as Vice President and Treasurer effective March 1995 and previously held the position of Treasurer from 1988 to 1995.
Thomas M. Hanigan	43	1995	Mr. Hanigan was elected to his present position as Vice President effective March 1995, and serves as Director of Information Management and Business Information Services. From July 1993 to March 1995, Mr. Hanigan was the Director of Information Management of the Company. From March 1991 to July 1993, Mr. Hanigan was Director of Business Information Services.
Brian G. Hart	42	1991	Mr. Hart was elected Chief Financial Officer in November 1997. Mr. Hart has been serving as Vice President since March 1995 and continues to serve in that position. Mr. Hart was Corporate Controller from September 1990 until November 1997.
James R. Houser	42	1995	Mr. Houser was elected to his present position as Vice President effective March 1995 and serves as Director of Nutrition and Industry Markets. From 1989 to 1992, Mr. Houser was the assistant Director of the Company's European Region. In 1992, Mr. Houser was named Director of the Company's Microbial Genetics Division.
John D. James	52	1991	Mr. James was elected to his present position as Senior Vice President effective March 1994. Mr. James previously held the position of Vice President and Group Executive for the Company from March 1991 to March 1994, and was the President of Business Information Services of the Company from 1986 to 1991.
Herbert H. Jervis.....	55	1997	Mr. Jervis was elected to his present position as Vice President effective May 1997, and also serves as Chief Intellectual Property Counsel. From 1990 to 1996, Mr. Jervis was Associate Patent Counsel at Smith Kline Beechman Pharmaceuticals, Philadelphia, Pennsylvania.
Charles S. Johnson.....	59	1981	Mr. Johnson was named Chairman of the Board of the Company in December 1996. Mr. Johnson has served as President and Chief Executive Officer of the Company since September 1995. Mr. Johnson previously was President and Chief Operating Officer from March 1995 to September 1995. Mr. Johnson was Executive Vice President from March 1993 to March 1995. Since 1973, Mr. Johnson has served in an executive position with the Company.
Dr. Hector R. R. Laurence	52	1993	Dr. Laurence was elected to his present position as Vice President effective March 1993. Dr. Laurence has served as Director of Operations for Latin America (South America/Central America/Caribbean) from 1988 to the present.
Mary A. McBride	50	1991	Ms. McBride was elected to her present position as Vice President, Marketing in March 1991.

Dr. Richard L. McConnell ..	47	1991	Dr. McConnell was elected to his present position as Senior Vice President and Director of Research in March 1994. From March 1991 to March 1994, he held the position of Vice President, Director of North America Research.
Dr. James E. Miller	43	1995	Dr. Miller was elected to his present position as Vice President in March 1995 and has served as Director of Product Development since August 1997. From January 1994 to August 1997, Dr. Miller held the position of Director, Oilseeds and Field Crops Research. From February 1990 to January 1994, Dr. Miller held the position of Director, Soybean Research.
Paul E. Schickler	45	1995	Mr. Schickler was elected to his present position as Vice President of the Company effective March 1995, and serves as Director of Resource Planning (Financial Planning, Human Resources, Learning and Development and Corporate Communications). From 1990 to March 1995, Mr. Schickler was Director of Finance for North American Operations.
Leon R. Shearer.....	54	1997	Mr. Shearer was elected to his present position as Vice President in August 1997 and also serves as General Counsel. From 1992 to August 1997, Mr. Shearer was a practicing attorney and the managing partner of Shearer, Templer and Pingle, a law firm in West Des Moines, Iowa.
Harold F. Thorne	50	1995	Mr. Thorne was elected to his present position as Vice President of the Company in March 1995, and serves as Director of Africa, Middle East, Asia and China. From 1994 to 1995, Mr. Thorne was Director of Operations for Africa, Middle East, Asia and China and also Director of Government Affairs. From 1988 to 1994, Mr. Thorne was Director of Business Development of the Company
John T. Watson	60	1991	Mr. Watson was elected to his present position as Vice President of the Company in March 1991, and serves as Director of Operations for the Commonwealth of Independent States, Oceania, and Turkey.
Robert K. Wichmann	60	1986	Mr. Wichmann was elected to his present position as Vice President of North American Seed Sales in March 1986.

</TABLE>

DU PONT RELATIONSHIP

On August 6, 1997, the Company and DuPont agreed to three integrated transactions involving (1) a research alliance between the two companies; (2) the formation of a joint venture to exploit business opportunities in quality grain traits; and (3) an equity investment by DuPont in the Company under which DuPont acquired a 20% equity interest in the Company. Pursuant to the research alliance, the Company and DuPont have agreed to a research alliance and collaboration to take advantage of the two companies' respective expertise and technology and know-how concerning quality grain traits, agronomic traits, industrial use traits, genomics and enabling technology for developing seed, grain, grain products, plant materials and other crop improvement products. The research alliance has two components, namely (a) collaborative efforts by both parties for the development of technologies and (b) the grant by each party to the other of licenses to certain technologies. The Company and DuPont also have established a commercial joint venture (the "Joint Venture"), in

which each party will own a 50% interest, which will seek to create, maximize and capture value for quality traits in seed, grain, grain products and plant materials delivered through corn, soybeans and other selected oil seeds. A key component of the Joint Venture is the Preferred Seed Support Agreement between the Joint Venture and the Company. The Joint Venture is not in the seed business and will look to the Company to be the Joint Venture's preferred worldwide provider and preferred marketer of quality trait seeds pursuant to the Preferred Seed Support Agreement. In general, the Joint Venture will be entitled to premiums or royalties captured from the quality trait aspects of seed sold by the Company, as determined by the parties in accordance with the Agreement; and the Company will be entitled to revenues from the entire genetic package for traits and services in the selling of seeds except for the quality trait aspect. Operations of the Joint Venture and Research Alliance Agreement did not begin in fiscal year 1997 but will begin in fiscal year 1998.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

PHILOSOPHY

The Company's mission is to increase the wealth of our Shareholders by increasing the wealth of our customers through the science of genetics. The Company does this by delivering high yielding and high quality products through a worldwide, long-term, team effort.

The Company believes the key measures of increases in shareholder value and long-term performance are earnings per share ("EPS") growth over time and return on equity ("ROE"). Achieving these goals will also generate the cash flow and financial strength required to support the Company's long-term efforts. As a result, the Company has established goals of double digit EPS growth over time and sustaining a 20% ROE.

The Compensation Committee has aligned its programs with this business strategy and key financial goals. The guiding principle is to encourage and reward executives and key managers for short-term and long-term performance, with an emphasis on double digit EPS growth over time and 20% ROE. Other performance criteria are selected based upon executives' abilities to impact such performance and the correlation of such performance to the Company's business strategy.

A substantial portion of executive compensation is contingent upon meeting the above performance goals. As an employee assumes greater responsibility, a larger portion of his/her total compensation is contingent on achieving these goals.

Stock-based rewards are integral parts of the compensation program. This assures that executives/owners, like other Shareholders, have a definite, personal interest in the long-term success of the Company.

The Company wants to attract and retain top-notch employees in order to sustain long-term success, market leadership and the successful implementation of its business strategy. To help accomplish this goal, the Company's targeted total compensation is competitive based on challenging business goals. Following is a table which shows targeted compensation levels for each component of compensation as compared to compensation of executives in similar positions in Comparator Organizations as defined below.

Compensation Component -----	Target Competitive Percentile ----- if Planned Results Achieved(FN1) -----
Base Salary	50th - 60th
Total Annual Cash Compensation (Base + Annual Reward)	65th - 75th
Long-Term Rewards	65th - 75th
Benefits	50th - 60th
Total Compensation (Base + Rewards + Benefits)	65th - 75th

[FN]

1 The above targets are general guides for all positions. The Compensation Committee will monitor the programs over time to align compensation with the above targets and philosophy stated in this report.

</FN>

Exceeding planned results would provide total compensation above the 75th percentile while performance below planned levels could result in total compensation between the 50th and 65th percentiles or lower. Achieving targeted results would place the Company in the top quartile of the Comparator Organization in terms of business performance.

For the five-year period ending in 1996, five of the over 50 Comparator Organizations achieved at least 12% EPS growth and 20% ROE. In the past 15 years, only three of the Comparator Organizations achieved a minimum five-year EPS growth of 12% and 20% ROE at least 50% of the time with a minimum of 10 years operating results.

Competitive market compensation information was gathered for the Compensation Committee, with input from an independent consultant, from a group of over 50 companies (Comparator Organizations) having one (1) or more of the following attributes: related industry, similar revenue size, research orientation, substantial international operations, or geographic proximity to the Company. The Compensation Committee has and will monitor the group and make changes to the group when appropriate. The Compensation Committee believes that the Comparator Organizations represent the Company's most direct competitors for executive talent. Although some of the companies in the Comparator Organizations are in the Combined Value Line Index utilized for shareholder return comparison in the "Performance Graph" on page 19, the Compensation Committee believes the Company's most direct competitors for executive talent are not necessarily all of the companies that should be included in an index established for comparing shareholder returns. Direct competitors for executive talent are not necessarily the same companies that are relevant for comparing shareholder returns because such factors as the geographical location and size of organization have a greater impact on salaries than on investor decisions.

ROLE OF THE COMPENSATION COMMITTEE

The Compensation Committee has responsibility for reviewing and approving the design of the compensation programs and pension and welfare benefits. For the CEO/President, compensation is determined by the Compensation Committee and reviewed by the full Board within the framework of the programs. For other executives, the Compensation Committee has responsibility for reviewing salaries and rewards. All Compensation Committee members are non-employee members of the Board. An independent compensation consultant has provided input on program design.

COMPENSATION COMPONENTS

Other than employee benefits, there are three (3) primary components in the compensation package for executives: base salary, management reward program and long-term stock-based rewards. All components of compensation are collectively considered when setting each individual component of compensation. Salary and target reward levels are established and monitored according to the targeted competitive levels as set forth in the "Philosophy" section. In addition, the following factors are considered: responsibilities, experience, past performance, internal equity and the internal relative value of positions.

BASE SALARY. In fiscal 1997, salaries of executives were increased on average by 7.2% based primarily on business and individual performance and competitive practices at Comparator Organizations.

MANAGEMENT REWARD PROGRAM. The Management Reward Program ("MRP") is designed to focus management efforts on critical performance goals and to reward results achieved in relation to those goals. Two separate plans are utilized to meet this objective.

MRP--Performance-Based ("MRP Part I") rewards are based upon actual performance, compared to target performance of 12-14% annual EPS growth over time and a sustained 20% ROE. Because the Compensation Committee believes EPS growth over time more directly impacts shareholder value, the Management Reward Program weights this factor more heavily than ROE.

The EPS growth goal is based on growth over time with fiscal 1995 as the starting point. This is consistent with the Company's five-year planning process and long-term nature of its business. It is also appropriate for a business that has major fluctuations because of government programs and weather. MRP Part I provides "performance-based compensation" as defined under 162(m) of the Internal Revenue Code (the "Million Dollar Cap Legislation").

Part II of the Management Reward Program (the "MRP Part II") rewards executives for meeting individual and/or team goals. Again, performance is the driver in determining rewards. The goals may be measured by both objective and subjective measures and include both financial and non-financial factors. The team/individual goals do not as directly impact shareholder value as the financial goals, so the rewards under MRP Part II represent approximately one-fourth (1/4) of executives' potential target annual reward opportunity and are limited to a maximum of 20% of base salary.

Combined target MRP rewards begin at 8% of base salary for participants and range from 45% to 75% of base salary for executives, with the target percentage increasing with increased responsibility. Actual rewards can range from zero, when financial and individual performance is low, to multiples of the target reward opportunities when performance is high.

For fiscal year 1997, the Company had a 21% EPS growth over the fiscal 1996 target of \$2.44, well in excess of the 12-14% EPS growth goal. ROE was 21.2% in fiscal year 1997, in excess of the 20% ROE target. EPS was \$2.95 compared to fiscal year 1996 results of \$2.68 actual. ROE was 21.2% compared to 21.9% in fiscal year 1996. This resulted in rewards under the MRP Part I exceeding targeted levels by approximately 2.2 times. This reward level reflects the outstanding performance of the Company. EPS and ROE performance places the Company in the top quartile of the Comparator Organizations. All executives also met or exceeded their individual or team goals resulting in target or better than target rewards under the MRP Part II. As discussed below in the "Compensation of President/CEO," the executives led the Company in important and critical efforts to position the Company for the future.

The following is an example of the calculation of the MRP Part I reward. It uses the fiscal 1997 EPS of \$2.95 and ROE of 21.2%.

EPS Growth Multiplier	ROE Modifier	Pay Band Target %	Executive's Base Salary	Performance-Based Reward
2.05	X 1.06	X 37%	X \$200,000	= \$160,580

The ROE Modifier ranges from .8 when ROE is 16% or lower to 1.2 when ROE is 24% or higher; and is 1.0 when ROE is 20%. See below for current EPS Growth multipliers that correspond to various EPS levels and EPS Growth percentages.

EPS Performance Table (FN*)

Growth % (FN**)	EPS Growth Multiplier	EPS (In \$)				
		1996	1997	1998	1999	2000
0%	0.00	2.16	2.44	2.76	3.12	3.52
4%	0.33	2.25	2.54	2.87	3.24	3.66
8%	0.67	2.33	2.64	2.98	3.37	3.80

TARGET	12%	1.00	2.42	2.73	3.09	3.49	3.94
RANGE	13%	1.00	2.44	2.76	3.12	3.52	3.98
	14%	1.00	2.46	2.78	3.14	3.55	4.01
	18%	1.70	2.55	2.88	3.25	3.68	4.16
	21%	2.05	2.61	2.95	3.34	3.77	4.26
	22%	2.10	2.64	2.98	3.36	3.80	4.30
	24%	2.20	2.68	3.03	3.42	3.86	4.37

[FN]

* The table is only a summary. There are various multipliers for points between the points listed above and for points beyond 24%.

** The EPS Growth Percentage is calculated as follows: (EPS for the applicable fiscal year minus the Prior Year's Target EPS) divided by the Prior Year's Target EPS. The Prior Year's Target EPS assumes EPS has grown 13% annually from Fiscal 1995.

</FN>

LONG-TERM STOCK-BASED REWARDS. The purpose of the Long-Term Stock-Based Reward Program is to: 1) align the interests of employees with the long-term interests of shareholders; 2) encourage and reward medium/long-term performance; and 3) retain top notch employees. There are two components of the Long-Term Stock-Based Reward Program: Restricted Stock and Stock Options. Both provide "performance based compensation" as defined under the Million Dollar Cap Legislation.

The Restricted Stock and Stock Option Programs meet the above purposes by: 1) rewarding management for increases in shareholder value; 2) focusing management on the Company's long-term EPS growth; 3) ownership and retention of Company stock; and 4) retention of management talent through vesting of Restricted Stock and Stock Options, generally over a three to five-year period.

-- RESTRICTED STOCK PROGRAM. Restricted Stock Rewards are based upon actual three-year EPS performance compared to target performance of 12-14% EPS growth over time with fiscal 1995 as the starting point. This is consistent with the Company's goal of double digit EPS growth over time, the Company's five-year planning process and the long-term nature of its business. It is also appropriate for a business that has major fluctuations because of government programs and weather.

Target rewards typically begin at 20% of base salary for participants and range from 45% to 75% of base salary for executives, with the target percentage increasing with increased responsibility. Actual rewards can range from zero, when financial performance is low, to multiples of the target reward opportunities when performance is high.

EPS growth for fiscal years 1995 through 1997 resulted in Restricted Stock Rewards of approximately 1.85 times targeted levels. The following is an example of the calculation of the performance-based Restricted Stock Reward. It uses actual EPS of \$7.79 for the three years ended August 31, 1997 (FY95 was \$2.16, FY96 was \$2.68, FY97 was \$2.95 for a total of \$7.79.)

EPS Growth Multiplier		Pay Band Target %		Executive's Base Salary	=	Value of Restricted Stock Grant
1.85	X	50%	X	\$200,000	=	\$185,000

See below for current three-year EPS Growth Multiplier that corresponds to a given three-year EPS.

Three Year EPS Growth Percentage and Multiplier Table(FN*)

		Three Year Total EPS					
3 Year EPS Growth%(FN**)Multiplier	3 Year EPS	1994- 1996	1995- 1997	1996- 1998	1997- 1999	1998- 2000	
0%	0.00	6.43	6.48	6.48	6.48	6.48	
4%	0.33	6.52	6.74	7.01	7.29	7.58	
8%	0.67	6.60	7.01	7.57	8.18	8.83	
TARGET RANGE	12%	1.00	6.69	7.29	8.16	9.14	10.24
	13%	1.00	6.71	7.36	8.32	9.40	10.62
	14%	1.00	6.73	7.43	8.47	9.66	11.01
	18%	1.70	6.82	7.72	9.11	10.74	12.68
	19%	1.85	6.84	7.79	9.27	11.03	13.13
	22%	2.10	6.91	8.01	9.77	11.92	14.55
	24%	2.20	6.95	8.16	10.12	12.55	15.56

[FN]

* The table is only a summary. There are various multipliers for points between the points listed above and for points beyond 24%.

** The Three Year EPS Growth Percentage will be determined as follows: add the EPS for three years (the most recently completed fiscal year and the prior two fiscal years, this becomes the "Three Year Total EPS"). Three Year Total EPS is then compared to the Three Year EPS Growth Percentage. The Three Year EPS Growth Percentage is determined assuming a specific EPS Growth percentage was achieved since fiscal 1995. Because this is a relatively new plan, the rewards for this year are based on growth over two years.

</FN>

-- STOCK OPTIONS. Stock options were granted to most of the current executives at the beginning of fiscal 1996. In addition, stock options were granted in fiscal 1997 to two individuals appointed to corporate vice president positions during the fiscal year. Consistent with the Company's long-term focus, it is currently anticipated that options will be granted only once every five years to an executive.

When vested, options can be exercised to purchase a predetermined amount of Common Stock at a pre-established exercise price. The exercise price is equal to the fair market value of the Common Stock at the date of the grant. The options, generally, will not fully vest until five years after grant (1/3 of the options will vest after each of years 3, 4, and 5). Options expire 10 years following the date of grant, although this period may be shortened after termination of employment.

The number of options granted was established to put executive long-term rewards, when combined with Restricted Stock grants, at the targeted competitive levels as set forth in the "Philosophy" section if the aggressive EPS and ROE targets are achieved. The Compensation Committee, with input from a compensation consultant, used the widely accepted Black-Scholes model to estimate the value of stock options. The ultimate value will depend on increases or decreases in the Company's stock price.

COMPENSATION OF THE PRESIDENT/CEO

Mr. Johnson's compensation is based on the policies and programs described above.

BASE SALARY. Mr. Johnson received a base salary increase of 7.9% on

September 1, 1996 to reflect his performance and position his base pay between the 50th and 60th percentiles of executives in similar positions at Comparator Organizations, consistent with the Company's compensation strategy.

MANAGEMENT REWARD PROGRAM. As stated above, for fiscal year 1997, the Company had a 21% EPS growth over the fiscal 1996 target, well in excess of the 12-14% EPS growth goal. ROE was 21.2% in fiscal year 1997, in excess of the 20% ROE target. Consequently, MRP Part I payouts were approximately 2.2 times target. The reward reflects the outstanding performance of the Company. EPS growth and ROE rates over this period place the Company's performance in the top quartile of the Comparator Organizations. Mr. Johnson's reward under the MRP Part I was \$914,877 or 134.5% of his fiscal year-end base salary. In addition, Mr. Johnson exceeded his individual and team goals resulting in a reward of \$132,601 or 19.5% of his fiscal year-end base salary (for a total reward of \$1,047,478 or 154.0% of fiscal year end base salary). The target for accomplishing the Company's financial goals was 75% of base salary, consistent with the Company's compensation philosophy.

Mr. Johnson led the Company with the support of other executives in an important and critical year of positioning the Company for the future. Mr. Johnson's leadership resulted in: (1) entering into the DuPont alliance which includes a research alliance, joint venture for creating and capturing value for quality grain traits and 20% equity investment in the Company by DuPont; (2) formation of an alliance with CuraGen Corporation, a genomic research alliance; and (3) development of a strong line-up of new hybrids, strong field testing of hybrids, increased supply capacity and upgrade of the sales force. This was also a year when financial performance remained outstanding.

LONG-TERM REWARD--STOCK-BASED REWARD PROGRAM. As stated earlier, the Company had a 21% EPS growth over the fiscal year 1996 target, well in excess of the 12-14% EPS growth target. Consequently, Restricted Stock Rewards were approximately 1.85 times target. Restricted Stock approximately equal in value to \$943,506 or 138.8% of Mr. Johnson's base salary will be awarded to him. His target for accomplishing the Company's financial goals was 75% of base salary.

Mr. Johnson was granted 304,000 stock options at the beginning of fiscal year 1996. No options were granted in fiscal year 1997. It is anticipated that the options will only be granted once every five years and will not fully vest for five years so no new options were granted in fiscal year 1997. The number of options granted was intended to put Mr. Johnson's targeted total long-term rewards, when combined with Restricted Stock grants, in line with the targeted competitive levels as set forth in the "Philosophy" section.

Compensation Committee members: Fred S. Hubbell (Chairman), Dr. Pedro Cuatrecasas and Luiz Kaufmann.

COMPENSATION

EXECUTIVE COMPENSATION

The following table sets forth compensation information for the Chief Executive Officer and the other four (4) most highly compensated executive officers (Named Executive Officers) for fiscal years 1995, 1996, and 1997.

<TABLE>
<CAPTION>

SUMMARY COMPENSATION TABLE

	ANNUAL	COMPENSATION	LONG-TERM COMPENSATION					
			AWARDS	PAYOUTS				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation	Restricted Stock Award(s) (FN1) (\$)	Options/ SARs (#)	LTIP Payouts (\$)	All Other Compensation (FN2) (\$)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Charles S. Johnson	1997	680,004	1,047,478		943,506			44,452
Chairman, President and	1996	630,000	1,057,896		1,039,500	304,000		35,650
Chief Executive Officer	1995	474,690	247,546		321,810			29,880
Jerry L. Chicoine	1997	385,008	490,558		445,166			25,751
Executive Vice President and	1996	350,004	459,451		462,005	103,000		19,863
Chief Operating Officer	1995	310,008	149,547		179,464			16,573
Richard L. McConnell	1997	320,004	387,173		355,204			16,223
Senior Vice President/	1996	280,008	367,566		369,611	103,000		11,925
Director of Research	1995	235,308	111,159		133,396			9,968
John D. James	1997	315,000	381,118		349,650			16,759
Senior Vice President	1996	275,004	360,998		363,005	103,000		12,262
	1995	222,091	115,740		138,893			10,155
Robert K. Wichmann	1997	260,040	252,993		240,537			25,823
Vice President	1996	242,052	259,407		266,257	40,000		19,652
North American Seed Sales	1995	218,059	98,588		98,588			16,161

<FN>

1 Restricted Stock is valued without regard to restrictions on transfer. Aggregate restricted stockholding and their market values, without regard to restrictions on transfer, held at 1997 fiscal year end were as follows: Mr. Johnson 53,114 shares, \$4,571,124; Mr. Chicoine 25,799 shares, \$2,220,326; Dr. McConnell 15,665 shares, \$1,348,169; Mr. James 17,317 shares, \$1,490,344; and Mr. Wichmann 15,689 shares, \$1,350,235. Dividends are paid quarterly to restricted stockholders.

2 Consists of above market interest accruing on deferred compensation (portion of interest in excess of 120% of the applicable federal long-term rate) and Company contributions to defined contribution plan (401(k)) as follows: Mr. Johnson -- 1997-above market interest \$41,452, and 401(k) \$3,000; Mr. Chicoine -- 1997-above market interest \$22,751, and 401(k) \$3,000; Dr. McConnell -- 1997-above market interest \$13,223, and 401(k) \$3,000; Mr. James -- 1997-above market interest \$13,759, and 401(k) \$3,000; and Mr. Wichmann -- 1997-above market interest \$22,823, and 401(k) \$3,000.

</FN>

</TABLE>

The following table sets forth certain information regarding the options held by Named Executive Officers at August 31, 1997. No executives exercised options in fiscal year 1997.

<TABLE>

<CAPTION>

AGGREGATED OPTION/SAR EXERCISES IN FISCAL YEAR 1997 AND FISCAL YEAR-END OPTION/SAR VALUES

Name	Shares acquired on exercise (#)	Value realized (\$)	Number of securities underlying unexercised options/SARs at FY-end (#)	Value of unexercised options/SARs at FY-end (\$)
(a)	(b)	(c)	Exercisable/Unexercisable (d)	Exercisable/Unexercisable (FN1)
<S>	<C>	<C>	<C>	<C>
Charles S. Johnson	N/A	N/A	0/304,000	\$0/13,053,000
Jerry L. Chicoine	N/A	N/A	0/103,000	\$0/4,422,563

Dr. Richard L. McConnell	N/A	N/A	0/103,000	\$0/4,422,563
John D. James	N/A	N/A	0/103,000	\$0/4,422,563
Robert K. Wichmann	N/A	N/A	0/40,000	\$0/1,717,500

<FN>

1 Value determined from market price at fiscal year end (\$86.0625) less exercise price (\$43.125). The actual value, if any, an executive may realize will depend on the stock price on the date of exercise, so there is no assurance the value stated will be equal to the value realized by the executive.

</FN>

</TABLE>

<TABLE>

<CAPTION>

PENSION PLANS

Estimated Annual Retirement Benefits
for Years of Service Indicated

Average Compensation (FN*)	10	15	20	25	30	35
<S> \$400,000	<C> \$240,000	<C> \$240,000	<C> \$240,000	<C> \$240,000	<C> \$240,000	<C> \$240,000
600,000	360,000	360,000	360,000	360,000	360,000	360,000
1,000,000	600,000	600,000	600,000	600,000	600,000	600,000
1,400,000	840,000	840,000	840,000	840,000	840,000	840,000
1,800,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000
2,200,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000
2,600,000	1,560,000	1,560,000	1,560,000	1,560,000	1,560,000	1,560,000
3,000,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
3,400,000	2,040,000	2,040,000	2,040,000	2,040,000	2,040,000	2,040,000

<FN>

* Average compensation includes salary, bonus, and restricted stock valued without regard to restrictions on transfer (as reported in the Summary Compensation Table).

</FN>

</TABLE>

The above table shows the target amount of combined annual pension income payable to a covered participant at normal retirement age (age 65) under the Company's qualified defined benefit pension plan, social security, and the Company's non-qualified supplemental executive retirement plan (SERP). The Company's plans provide for the payment of post-retirement benefits on a life and 15-year term certain basis with death benefits payable to an employee's surviving spouse or other designated beneficiary.

The calculation of retirement benefits under the qualified pension plan is based upon years of service with the Company and average earnings for the highest five (5) consecutive years out of the last ten (10) years preceding retirement (age 55 with at least five (5) years of service). Covered compensation includes salary and bonus (as reported in the Summary Compensation Table). Years of service as of August 31, 1997 for Named Executive Officers are as follows: Mr.

Charles S. Johnson: 32 years; Mr. Jerry L. Chicoine: 12 years; Dr. Richard L. McConnell: 23 years; Mr. John D. James: 13 years; and Mr. Robert K. Wichmann: 38 years.

The non-qualified SERP provides for the payment of additional benefits to certain Executive Officers (including the Named Executive Officers). At normal retirement age (age 65) and upon early retirement as accepted and approved by the Board of Directors, these Executive Officers will receive, when combined with qualified pension plan benefits and social security benefits, 60% of their final average earnings regardless of their length of service. Benefits may also be payable upon a disability. These benefits are based on average earnings for the last four (4) fiscal years preceding retirement. Covered compensation includes salary, bonus, and Restricted Stock, valued without regard to restrictions on transfer (as reported in the Summary Compensation Table). Benefits will be paid out on a life and 15-year term certain basis with death benefits payable to an employee's surviving spouse or other designated beneficiary.

For purposes of the non-qualified SERP, covered compensation includes salary, bonus and restricted stock. Covered compensation as of August 31, 1997 for the Named Executive Officers is as follows: Charles S. Johnson: \$2,670,988; Jerry L. Chicoine: \$1,320,731; Richard L. McConnell: \$1,062,381; John D. James: \$1,045,769; and Robert K. Wichmann: \$753,570.

DIRECTOR COMPENSATION

Non-employee Directors receive \$1,500 per month for serving as a Director, plus \$4,000 for each meeting of the Board of Directors attended, and \$1,000 for certain special meetings. In addition, Committee Chairpersons are paid \$500 per committee meeting held which is paid in cash. In lieu of the above fees, Thomas N. Urban received monthly payments of \$25,833.33 ending December, 1996, when he resigned as Chairman of the Board of Directors. After this date, Mr. Urban received non-employee director fees as specified above. Directors also are reimbursed for travel expenses incurred in connection with their attendance at Board and Committee meetings. Employee Directors and current DuPont representatives do not receive any compensation for serving on the Board of Directors.

The Directors' Restricted Stock Program allowed non-employee Directors to elect to receive restricted stock in lieu of all or a portion of the next three years worth of anticipated Directors' fees (both annual retainer and quarterly Board meetings fees). Eleven directors elected to participate in the Plan. The dollar value of the applicable fees plus five percent was granted in restricted stock based upon the December 31 stock price at the beginning of the three-year period. Generally, restricted stock related to regular quarterly meeting fees vests when quarterly meetings are attended. Restricted stock related to the annual retainer for the applicable year will vest if the participant is still a Director on each December 31. In addition, a pro rata number of shares, which would otherwise vest in the calendar year, will vest upon death, disability, the end of a term for which a participant is not re-elected, or if mandatory retirement or a change in control occurs. Shares are forfeited if the participant resigns, is dismissed for cause, or the participant refuses to stand for election to the Board. In addition, restricted stock related to a regular quarterly meeting is forfeited if the participant does not attend such quarterly meeting.

SEVERANCE PLANS AND OTHER ARRANGEMENTS

The Company has no employment agreements with any of the Named Executive Officers.

The Company maintains a Severance Compensation Plan for certain management employees (Severance Plan). The Severance Plan is designed to aid the Company in attracting and retaining the highly qualified individuals who are essential to its success and to avoid distractions inherent in the threat of a Change in Control.

The Severance Plan is triggered upon a Change in Control of the

Company. In the event of involuntary termination of employment within three (3) years following a Change in Control, participants under the Severance Plan are entitled to a continuation of certain benefits for one year and a cash payment equal to three (3) times the participant's base salary and bonus. Participants include all of the Named Executive Officers as well as other key managerial personnel. Each participant eligible under the Severance Plan is entitled to receive a gross-up payment equal to the amount of any federal excise taxes imposed upon compensation payable upon a Change in Control and the additional taxes that result from such payment.

The Named Executive Officers and other key employees customarily have been granted restricted stock that vests upon completion of five (5) years of continuous employment following the grant. In addition, they have been granted stock options with a ten (10) year term. The Restricted Stock and Stock Options also vest upon a Change in Control; upon termination because of normal retirement, death or disability; upon early retirement accepted and approved by the Compensation Committee; or for other reasons the Compensation Committee deems appropriate.

The Named Executive Officers and other key employees are entitled to receive non-qualified Supplemental Executive Retirement Plan (SERP) benefits and deferred compensation benefits under the Deferred Compensation Plan (the Named Executive Officers and other key employees are entitled to defer a lifetime maximum of \$100,000 of their compensation with earnings at above-market interest) if they are terminated without cause or resign for a stated good reason within five (5) years following a Change in Control. Participants' beneficiaries will also receive benefits in the case of death. Otherwise, SERP benefits will be paid upon normal retirement (age 65), or upon early retirement (age 55 with at least five (5) years of service) accepted and approved by the Compensation Committee, or in the Board of Directors' discretion upon other termination. Deferred compensation benefits will be paid with accrued above-market interest upon normal retirement (age 65), with benefits reduced on early retirement (age 58), and at the prime interest rate upon other termination.

In addition, Named Executive Officers and other key employees are entitled to defer up to \$25,000 a year under the Annual Deferred Compensation Plan. Such compensation earns a rate of one percent (1%) above the average of the 10-year United States Treasury rate and is paid upon retirement or other termination of employment.

Company contributions to the 401(k) Defined Contribution Plan shall vest over a five (5) year period and otherwise shall vest upon retirement, death, or disability, and termination for other than cause within three (3) years of a Change in Control. The maximum annual contribution by the Company is \$3,000 per employee.

For purposes of the Severance Plan, the Restricted Stock Plan, SERP, the deferred compensation plans, and the 401(k) Plan, "Change in Control" means an acquisition by any person of 25% or more of the total number of shares of Common Stock then outstanding and the number of shares of Common Stock issuable upon conversion (whether or not then convertible) or otherwise of Series A Convertible Preferred Stock of the Company or election of 25% or more of the Board of Directors without recommendation from the Board.

PERFORMANCE GRAPH

The following graph compares the cumulative total Shareholder return on the Company's Common Stock versus the S&P 500 and Value Line Food Processors Large Cap Index and Small Cap Index combined ("Combined Value Line Index") for the five (5) year period commencing August 31, 1992. The Value Line Food Processor Large Cap Index includes the Company and the Value Line Food Processor Small Cap Index includes the Company's only major competitor that is publicly traded. The other major competitors are divisions or subsidiaries of larger publicly traded companies.

	1992	1993	1994	1995	1996	1997
PHB	\$100.00	\$125.95	\$122.27	\$171.60	\$223.55	\$352.44
S & P 500	\$100.00	\$115.30	\$121.90	\$148.20	\$176.01	\$248.00
Peer Group	\$100.00	\$97.12	\$104.25	\$122.25	\$140.69	\$192.07

Assumes \$100 invested at the close of trading on the last trading day preceding the first day of the fifth preceding fiscal year and reinvestment of dividends.

PROPOSAL 2

APPROVAL OF AN AMENDMENT TO THE ARTICLES OF INCORPORATION TO CREATE A NEW CLASS OF COMMON STOCK CALLED CLASS B COMMON STOCK

INTRODUCTION

At the annual meeting a vote will be taken on a proposal to authorize the amendment of the Company's Articles of Incorporation to create a new class of Common Stock called Class B Common Stock 120,000,000 shares authorized for issuance (the "Article Amendment"). A copy of the Article Amendment, in substantially the form in which it is to be adopted, is attached to this Proxy Statement as Exhibit B. The Company is required to seek shareholder approval to create the Class B Common Stock under the terms of the Investment Agreement, dated as of August 6, 1997 ("Investment Agreement"), between E.I. du Pont de Nemours and Company ("DuPont") and the Company. If the Article Amendment is approved, each share of Series A Convertible Preferred Stock held by DuPont will automatically be reclassified without further vote and at no cost to the Company or DuPont into one hundred issued and fully-paid shares of Class B Common Stock.

PREFERRED STOCK AND INVESTMENT AGREEMENTS

The Investment Agreement was entered into as part of three integrated transactions involving (1) a research alliance and collaboration between the companies; (2) the formation of a joint venture to exploit business opportunities in quality grain traits; and (3) an equity investment by DuPont in the Company. Pursuant to the Investment Agreement, DuPont purchased directly from the Company a new Series A Convertible Preferred Stock (the "Preferred Stock") which represents an economic ownership in the Company approximately equal to 20% of the Company's outstanding shares before giving effect to the issuance and approximately 16 2/3% after giving effect to the issuance at a Common Stock equivalent price of \$104 per share and \$1.71 billion in the aggregate. After the direct issuance of Preferred Stock to DuPont, the Company then launched and completed a self-tender offer to purchase approximately 16.4 million of its Common Stock, par value \$1 ("Common Stock") from its Shareholders. The Company acquired approximately 16.5 million shares of Common Stock pursuant to the self-tender offer at a price of \$92.50 per share and \$1.523 billion in the aggregate. The excess proceeds from the DuPont purchase of Preferred Stock will be used for working capital or other corporate purposes. After giving effect to the self-tender offer, DuPont had approximately a 20% Common Stock equivalent equity interest in the Company.

DuPont was issued Preferred Stock instead of Common Stock to provide DuPont with a voting power which at all times is equal to its equity ownership and ensure that in all circumstances the shares of Preferred Stock purchased by DuPont pursuant to the terms of the Investment Agreement will not be entitled to voting powers greater than its equity ownership. The Company's Common Stock has a time-phased voting feature under which, in general, holders of Common Stock are entitled to 5 votes per share if such shares have been beneficially owned continuously by such holder for a period of 36 consecutive months

preceding the record date for the shareholders' meeting, and that otherwise such holders are entitled to 1 vote per share.

The Preferred Stock is a Common Stock economic equivalent based on the number of shares of Common Stock into which the Preferred Stock is convertible and participates equally on the basis of the number of shares of Common Stock into which the Preferred Stock is convertible, whether or not such conversion has occurred, in all dividends and distributions when declared by the Company on or with respect to the shares of Common Stock subject, in the event of a liquidation of the Company, to a liquidation preference of the Preferred Stock of \$.01 per share. Shares of Preferred Stock are convertible (on the basis of 100 shares of Common Stock per share of Preferred Stock) automatically upon the transfer of beneficial ownership of such shares of Preferred Stock to a person not a member of a DuPont Group, as defined in the Investment Agreement, and under certain other limited circumstances described below. The Preferred Stock will vote together as a class with the holders of shares of Common Stock on all matters, including the election of directors, on which the holders of shares of Common Stock are entitled to vote with voting power at all times (regardless of the number of votes that may be cast at any meeting based on the Company's existing time-phased voting structure pursuant to which every share of Common Stock is generally entitled to five votes, if it has been beneficially owned continuously by the same holder for a period of 36 consecutive months preceding the record date for the shareholders' meeting, and to one vote per share otherwise) equal to its percentage Common Stock equivalent economic ownership interest in the Company. In no event will the aggregate voting power of DuPont arising out of its ownership of the Preferred Stock exceed 20%. The Preferred Stock is also convertible into shares of Common Stock (a) in the event that all outstanding shares of Common Stock are changed through an article amendment or other reclassification to have the same vote per share, without any time-phased voting and (b) at the option of DuPont in the event that after the next five annual meetings, including the 1998 Annual Meeting (the "5-Year Period"), the Company's Shareholders have not approved an amendment to the Company's Articles of Incorporation to reclassify the Preferred Stock held by DuPont into Class B Common Stock having identical terms (except that each share of Preferred Stock is to be reclassified into 100 shares of Class B Common Stock, and each share of Class B Common Stock will then be convertible into one share (rather than 100 shares) of Common Stock) and, thereafter, both DuPont's independent public accountants and the staff of the Securities and Exchange Commission shall not have permitted DuPont to account for its investment in the Company using the full equity accounting method. If DuPont exercises its conversion rights specified under clause (b) above, DuPont has agreed to vote any voting power it would otherwise have in excess of its economic ownership pro rata in proportion to how the shares of Common Stock owned by all Shareholders of the Company other than DuPont are voted.

Shares of the Preferred Stock are also subject to certain rights and restrictions under the Investment Agreement which has a term of 16 years from the date thereof and is thereafter extended unless terminated upon one year's prior notice given by either party. The Investment Agreement obligates DuPont to vote its shares of Preferred Stock in favor of the slate of directors (including any DuPont nominees as described below) proposed by the Board and certain other limited matters, and otherwise permits DuPont to exercise its voting power in its discretion. The Investment Agreement contains provisions that impose certain restrictions upon DuPont's ability to transfer its shares of Preferred Stock, including provisions that prohibit any transfer (other than by means of a dividend by DuPont to its Shareholders) for three years after the date (September 18, 1997) that DuPont purchased the Preferred Stock (the "Equity Investment Closing Date"), and restrict thereafter in perpetuity the manner in which any such transfer may be made, the size of the block of shares that any transferee may acquire and, in certain cases, the terms upon which any transferee may acquire shares of Common Stock as a result of any such transfer.

DuPont is entitled under the Investment Agreement to nominate two (and in certain circumstances three) directors to the Company's Board of Directors (the "Board") of 13 members (exclusive of the DuPont

nominees), provided that DuPont maintains an equity ownership of at least 10%. At the Equity Investment Closing Date (September 18, 1997), Charles O. Holliday, Jr., President and a director of DuPont, and William F. Kirk, Senior Vice President of DuPont, joined the Company's Board as DuPont's initial designees.

The Investment Agreement includes a standstill which prohibits DuPont from acquiring any additional shares of Common Stock or other voting securities of the Company, except for certain top-up rights to enable it to maintain a 20% equity interest. The Investment Agreement also prohibits DuPont from taking certain other actions to seek control of or influence the management, the Board or the policies of the Company (including by proposing or seeking to effect any merger or other business combination transaction involving the Company, engaging in any consent or proxy solicitation as to the election of directors or otherwise, or forming a "group" within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, with third parties with respect to any of the Company's voting securities).

In addition, under the Investment Agreement, as long as DuPont's Ownership Cap (as defined in the Investment Agreement) is 18% or more, (i) DuPont is entitled to 30 days' prior notice of, and the right to participate in any auction leading up to, the sale of the Company or other business combination constituting a Change in Control (as defined in the Investment Agreement) of the Company, and (ii) the Company is prohibited from consummating or entering into a binding agreement for a Competing Investment (defined in the Investment Agreement as certain equity investments in the Company exceeding a specified size by one of the eight competitors designated by DuPont on an annual basis) for a period of four years after the date of the Investment Agreement. DuPont is also entitled to certain rights to purchase or trigger an auction of the Joint Venture and termination of the Research Alliance upon the occurrence of a Competing Investment or Change in Control. DuPont is also accorded certain rights in the event that a Competing Investment is proposed or consummated by the Company after the end of such four-year period, including the right to be provided 30 days' prior notice thereof, subject to the loss by DuPont of certain of its other rights as a Shareholder under the Investment Agreement. In addition, certain of DuPont's rights as a Shareholder under the Investment Agreement are eliminated or modified in the event that either the Joint Venture or the Research Alliance is terminated or upon certain sales of DuPont's Ag Products Business.

DuPont is also entitled, after the third anniversary of the Equity Investment Closing Date, to exercise certain demand and "piggyback" registration rights with respect to the shares of Common Stock into which the Preferred Stock is convertible on customary terms.

CLASS B COMMON STOCK

The Class B Common Stock will be substantially identical to the Preferred Stock (except that each share of Preferred Stock is to be reclassified into 100 shares of Class B Common Stock, and each share of Class B Common Stock will then be convertible into one share (rather than 100 shares) of Common Stock), except that the issuance of the Class B Common Stock will satisfy the requirements described above that an amendment to the Articles of Incorporation to authorize the Class B Common Stock be approved within the 5-Year Period and thus eliminate DuPont's right to convert into Common Stock under the circumstances described above. Upon approval of the Article Amendment, each share of Preferred Stock will automatically convert into one hundred shares of Class B Common Stock.

IOWA LAW AND CERTAIN CHARTER AND BYLAW PROVISIONS

In 1982, the Shareholders approved amendments to the Company's Articles of Incorporation to establish a Board of Directors classified into three classes of directors serving staggered three-year terms, with the classes as nearly equal in number as possible. One class of directors stands for election at each annual meeting of the Shareholders. Therefore, two annual meetings generally are required to replace a majority of the directors. Shareholders do not have the right to exercise cumulative voting in the election of directors.

The 1982 amendments also provide for a Board of Directors ranging from twelve to sixteen members, within which range the Board of Directors may designate the exact number of directors. The incumbent directors also have the authority to fill vacancies on the Board of Directors for a term which extends to the next annual meeting of Shareholders. The Articles of Incorporation also provide that a director may be removed only for cause (determined by a judicial finding of misconduct), by a two-thirds vote of the shares entitled to vote. Any amendment to these provisions requires the vote of two-thirds of the shares entitled to vote.

In 1982, the Shareholders also approved the creation of a class of ten million shares of Serial Preferred Stock, to be issued in one or more series by the Board of Directors without further Shareholder approval. The Board of Directors has the power to determine the designations, preferences and rights (including dividend, conversion and voting rights) of each such series. The Board of Directors could, without Shareholder approval, issue Serial Preferred Stock with voting and other rights that could affect the voting power of the holders of Common Stock and have certain anti-takeover affects. For example, in the case of a tender offer or other attempt to gain control of the Company of which the Board of Directors does not approve, the Company may issue shares of such stock with rights and preferences which could hinder or frustrate such attempts.

In 1985, the Shareholders approved an amendment to Article IV of the Articles of Incorporation to provide that each holder of shares of Common Stock as of the effective date of the amendment would be entitled to five votes per share on all matters submitted thereafter and, subject to certain exceptions, any person who acquired shares of Common Stock subsequent to the effective date of the amendment would be entitled to one vote per share with respect to such shares until the shares had been beneficially owned by such person continuously for a period of thirty-six months and such person had satisfied certain other conditions, after which such person is entitled to five votes per share. The overall effect of the amendment may be to render more difficult mergers, proxy contests or the assumption of control by a principal Shareholder and thus make it more difficult to remove incumbent management.

In 1989, the Board of Directors adopted amendments to the Company's Pension Plan, 401(k) Plan, Supplemental Executive Retirement Plan and Deferred Compensation Plan and adopted a Change in Control Severance Plan. The purpose and intended effect of the amendments and the adoption of the severance plans are to provide for early vesting of stock-based benefits in the event of a Change in Control and to provide acceleration of benefits and certain other benefits in the event of their termination following a change in control of the Company. These measures individually and in the aggregate may have a defensive effect.

In 1989, the Company adopted a Shareholder Rights Plan ("Rights Plan") and subsequently has modified the Rights Plan. The Rights Plan potentially dilutes the ownership of a person that exceeds the trigger level specified in the Rights Plan unless the Board waives the Rights Plan prior to the acquirer crossing the trigger level. The Rights Plan accomplishes this by granting rights to the Shareholders that, if exercised, would dilute the acquirer's ownership following the occurrence of the applicable trigger event. The Rights Plan is triggered as to an acquirer on the first to occur: (a) a person or entity owns 10% or more of the Company's stock (but only when and if the person has 25% of the voting power) or (b) a person or entity owns 15% or more of the Company's stock, provided that the Rights Plan will not be triggered if a person exceeds the trigger ownership level as a result of the Company's repurchase of Common Stock. The Company has waived DuPont ownership pursuant to the terms of the Investment Agreement from being a trigger under the Rights Plan. There is a limited exception for the Wallace family as defined in the Rights Plan.

In 1997, the Iowa legislature adopted a provision that in general prohibits a publicly held Iowa corporation from engaging in certain

"business combinations" with an "interested shareholder" for a period of three years after the date of the transaction in which the person became an interested shareholder, unless the business combination is approved by two-thirds of the disinterested shareholders of the corporation or the board approves the business combination or the transaction resulting in the person acquiring the specified amount or more of the outstanding voting shares. A "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to the interested shareholder. An "interested shareholder" is a person who, together with affiliates and associates, owns the specified amount or more of the corporation's voting stock. The Company did not elect to exempt the stock of the Company from the provisions of this law. The Company approved DuPont's acquisition and as such, DuPont did not become an interested shareholder subject to such restrictions as a result of such acquisition.

In 1997, the Iowa legislature also increased the shareholding requirement from 10% of all votes to 50% of all votes for shareholders to be able to call a shareholder meeting. The Company amended its Bylaws to conform with the change adopted by the Iowa legislature.

The Company also has additional shares that are authorized but unissued, or issued and not outstanding. Such shares can be used for defensive purposes. See also the description in "Proposal 3: Approval of an Amendment to the Articles of Incorporation to Increase the Authorized Shares of Common Stock."

INFORMATION INCORPORATED BY REFERENCE

As required by the proxy rules, the Company incorporates the following information by reference to the Company's Annual Report on Form 10K for the fiscal year ended August 31, 1997 (the "Report"): Financial Statement and notes thereto (Item 8 of the Report); the report of independent certified public accountants (Item 8 of the Report); supplemental financial information (Item 8 of the Report); management discussion and analysis of financial condition and result of operations (Item 7 of the Report); and quantitative and qualitative disclosure about market risk (Item 7 of the Report).

The information required for changes and disagreement with accountants is not applicable. The Company also incorporates by reference the information contained in "Proposal 4: Approval of Auditors."

BOARD RECOMMENDATION

The Board of Directors of the Company believes that approval of the Article Amendment which amends the Company's Articles of Incorporation to create a new class of Common Stock called Class B Common Stock is in the best interest of the Company and recommends that it be approved. The holders of Common Stock are entitled to vote as a separate class under Iowa law. The votes cast by holders of Common Stock in favor of the Article Amendment must exceed the votes cast by holders of Common Stock opposed to the amendment to approve the Article Amendment. In addition, the votes cast by the holders of Common Stock and the holders of Series A Convertible Preferred Stock voting as one class must exceed the votes cast by such holders opposed to the amendment to approve the Article Amendment. See "Record Date; Voting of Shares" for a description of the voting rights of Common Stock and Preferred Stock. Pursuant to the Investment Agreement, DuPont is required to vote its approximate 20% voting power "For" this proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" PROPOSAL 2.

PROPOSAL 3

APPROVAL OF AN AMENDMENT TO THE ARTICLES OF INCORPORATION TO INCREASE THE AUTHORIZED SHARES OF COMMON STOCK

The proposed amendment to the Articles of Incorporation would increase the number of authorized shares of Common Stock, \$1.00 par value ("Common Stock") to 600,000,000 shares. The additional 450,000,000 shares authorized would have the same rights and privileges as the shares of Common Stock currently outstanding. The number of authorized

shares of Serial Preferred Stock would remain unchanged at 10,000,000 shares.

The text of the proposed amendment to the Articles of Incorporation, in substantially the form in which it is to be adopted, is set forth in Exhibit C to this Proxy Statement.

The Company's Articles of Incorporation presently authorize the issuance of 150,000,000 shares of Common Stock with a \$1.00 par value. As of November 4, 1997, there were 65,756,873 shares of Common Stock outstanding; 27,192,092 shares issued but not outstanding ("Treasury Shares"); 3,000,000 shares reserved for issuance pursuant to stock options issued and issuable under the Company's stock option plans; and 1,502,222 shares of Common Stock reserved for issuance pursuant to the Company's restricted stock plans. In addition, 16,444,586 shares of Common Stock are reserved for issuance upon conversion of Series A Convertible Preferred Stock (or alternatively, Class B Common Stock if "Proposal 2: Approval of an Amendment to the Articles of Incorporation to Create a New Class of Common Stock Called Class B Common Stock" is approved). See "Proposal 2: Approval of an Amendment to the Articles of Incorporation to Create a New Class of Common Stock Called Class B Common Stock" for a description of the Series A Convertible Preferred Stock and Class B Common Stock.

The Board of Directors believes that an increase in the number of authorized shares of Common Stock is advisable because it would increase the number of shares available for issuance for such purposes as the Board determines to be in the best interest of the Company. For example, the Board of Directors may determine that it is advisable to effectuate a stock split and currently anticipates that it will effectuate a stock split in 1998 in the form of a stock dividend. Other purposes include possible future financing or acquisition transactions, stock options and other employee compensation and benefit plans, and other general corporate purposes. At present, the Company has no plans, arrangements or understanding for an issuance of additional shares of Common Stock, other than the Company is contemplating a stock split, and issuances pursuant to the Company's current stock option plan, restricted stock plans and as may be required, upon conversion of Series A Convertible Stock (or alternatively, Class B Common Stock) into Common Stock as discussed above. However, the Company may determine to use additional shares of Common Stock for any corporate purpose. No further action or authorization by the Shareholders would be necessary prior to the issuance of additional shares unless applicable law or regulation require such. One of the effects of the existence of additional shares may be to enable the Board of Directors of the Company to issue shares to persons friendly to current management which could render more difficult or discourage an attempt to obtain control of the Company by a means of merger, tender offer, proxy contest or otherwise and thereby protect the continuity of management. Such additional shares also could be used to dilute the stock ownership of persons seeking to attain control of the Company.

For the Company's other provisions applicable to a change in control, see "Proposal 2: Approval of an Amendment to the Articles of Incorporation to Create a New Class of Common Stock Called Class B Common Stock."

The Common Stock is subject to a time-phased voting structure pursuant to which shares of Common Stock are generally entitled to 5 votes, if such shares have been beneficially owned continuously by the same person for a period of 36 consecutive months preceding the record date for the shareholders' meeting, and all other shares are entitled to 1 vote. Holders of Common Stock are not entitled to cumulative voting in an election of Directors. Holders of Common Stock do not have preemptive subscription or conversion rights and there are no redemptions or sinking fund provisions applicable thereto. Shares of Common Stock are currently entitled to share equally and ratably in dividends paid in the funds legally available for the payment thereof. A declaration of dividends is subject to the discretion of the Board. Shares of Common Stock are also currently entitled to share equally in the assets of the Company available for distribution to holders of Common Stock after the payment of liabilities of the Company upon

liquidation or dissolution of the Company, whether voluntary or involuntary, subject to a 1 cent per share liquidation preference of Series A Convertible Preferred Stock.

INFORMATION INCORPORATED BY REFERENCE

As required by the proxy rules, the Company incorporates the following information by reference to the Company's Annual Report on Form 10K for the fiscal year ended August 31, 1997 (the "Report"): Financial Statement and notes thereto (Item 8 of the Report); the report of independent certified public accountants (Item 8 of the Report); supplemental financial information (Item 8 of the Report); management discussion and analysis of financial condition and result of operations (Item 7 of the Report); and quantitative and qualitative disclosure about market risk (Item 7 of the Report).

The information required for changes and disagreement with accountants is not applicable. The Company also incorporates by reference the information contained in "Proposal 4: Approval of Auditors."

BOARD RECOMMENDATION

The Board of Directors of the Company believes the amendment to increase the authorized shares is in the best interest of the Company and recommends that it be approved. The holders of Common Stock are entitled to vote as a separate class under Iowa law. The votes cast by the holders of Common Stock in favor of the amendment to the Articles of Incorporation to increase the authorized shares must exceed the votes cast by holders of Common Stock opposed to the amendment to the Articles of Incorporation to increase the authorized shares for the amendment to be approved. In addition, the votes cast by the holders of Common Stock and the holders of Preferred Stock voting as one class in favor of the amendment to the Articles of Incorporation to increase the authorized shares must exceed the votes cast by such holders opposed to the amendment to the Articles of Incorporation to increase the authorized shares for the amendment to be approved. See "Record Date; Voting of Shares" for a description of the voting rights of Common Stock and Preferred Stock voting as one class. DuPont has agreed to vote its approximate 20% voting power "For" this proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" PROPOSAL 3.

PROPOSAL 4 APPROVAL OF AUDITORS

The Board of Directors, pursuant to the recommendation of its Audit Committee, engaged KPMG Peat Marwick LLP to audit the Company's financial statements.

Although this appointment is not required to be submitted to a vote of the Shareholders, the Board of Directors continues to believe it is appropriate as a matter of policy to request that Shareholders ratify the appointment of KPMG Peat Marwick LLP as principal independent auditors. If the Shareholders should not ratify the appointment, the Audit Committee will investigate the reasons for Shareholder rejection and the Board of Directors will reconsider the appointment. Even if the appointment is ratified, the Board of Directors, in its discretion, may direct the appointment of a different independent auditor if the Board of Directors determines that such a change would be in the best interest of the Company and its Shareholders.

The Company has been advised that neither KPMG Peat Marwick LLP nor any of its partners has any direct or any material, indirect, financial interest in the securities of the Company or any of its subsidiaries, and has had no material relationship with the Company or its subsidiaries, except as auditors and consultants on accounting procedures, compensation, securities, and tax matters.

A representative from KPMG Peat Marwick LLP will be at the Annual Meeting, will have the opportunity to make a statement, if the representative so desires, and will be available to respond to appropriate questions during the meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" PROPOSAL 4.
ANNUAL REPORT TO SHAREHOLDERS

The Company's Annual Report to Shareholders for the fiscal year ended August 31, 1997 is enclosed. The Annual Report is not to be regarded as Proxy solicitation material.

SHAREHOLDER PROPOSALS FOR 1999 ANNUAL MEETING

The Board of Directors presently expects that the 1999 Annual Meeting will be held on January 26, 1999. A Shareholder intending to present a proposal to the 1999 Annual Meeting and wishing to have such proposal included in the Proxy Statement and form of Proxy to be distributed by the Board of Directors in connection with the 1999 Annual Meeting must submit such proposal in writing to the Secretary, Pioneer Hi-Bred International, Inc., 800 Capital Square, 400 Locust Street, P.O. Box 14458, Des Moines, Iowa 50306-3458. Such proposal must be received by the Company at that address no later than August 12, 1998 in order to be included in the Proxy Statement.

INFORMATION INCORPORATED BY REFERENCE

As required by the proxy rules, the Company incorporates the following information by reference to the Company's Annual Report on Form 10K for the fiscal year ended August 31, 1997 (the "Report"): Financial Statement and notes thereto (Item 8 of the Report); the report of independent certified public accountants (Item 8 of the Report); supplemental financial information (Item 8 of the Report); management discussion and analysis of financial condition and result of operations (Item 7 of the Report); and quantitative and qualitative disclosure about market risk (Item 7 of the Report).

BY ORDER OF THE BOARD OF DIRECTORS

Jerry L. Chicoine, Secretary

SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND THE MEETING ARE REMINDED TO DATE, SIGN, AND RETURN THE ENCLOSED PROXY IN THE POSTAGE PREPAID ENVELOPE.

EXHIBIT A

December 10, 1997

PROCEDURES FOR DETERMINING CHANGES IN
BENEFICIAL OWNERSHIP OF COMMON STOCK

- Effective November 14, 1985, the Articles of Incorporation of Pioneer Hi-Bred International, Inc. (the "Company") were amended (the "Voting Amendment") to provide that, subject to the provisions below, every share of the Company's Common Stock is entitled to five (5) votes per share if it has been beneficially owned continuously by the same holder for a period of 36 consecutive months preceding the record date for the shareholders' meeting. All other shares carry one (1) vote.
- In general, the Voting Amendment provides that a change in beneficial ownership of a share of Common Stock occurs whenever any change occurs in the person or group who has, or shares, voting power, investment power, the right to receive sale proceeds, or the right to receive dividends or other distributions with respect to such share.
- In the absence of proof to the contrary provided in accordance with the procedures referred to below, a change in beneficial ownership shall be deemed to have occurred whenever a share of Common Stock is transferred of record into the name of any person.
- In the case of a share of Common Stock held of record in the name of a corporation, partnership, voting trustee, bank, trust company, broker, nominee or clearing agency, or in any other name except that of a natural person, if it has not been established pursuant to such procedures that there has been no change in the person or persons who direct the exercise of the powers or rights referred to above with respect to such share of Common Stock during the period of 36 months immediately preceding the date on which a determination is made of the shareholders who are entitled to take any action, then a change in beneficial ownership shall be deemed to have occurred during such period.
- There are several exceptions and qualifications to the terms of the Voting Amendment described above. For a copy of the complete Voting Amendment, please contact the Company at the address listed below.
- Shareholders who hold their shares in "street name" or through any other method specified above are required to submit proof of continued beneficial ownership to the Company in order to be entitled to five (5) votes per share. Such proof must consist of a written certification by the record owner that there has been no

change in beneficial ownership (as defined in the Voting Amendment) during the relevant period. The required form for this certification is attached. The Company reserves the right, however, to require evidence in addition to the certification in situations where it reasonably believes an unreported change may have occurred. Proof (including certifications) will be accepted only if it is received by the Tabulating Agent at least five (5) days before the date for the shareholders' meeting.

- The Company will notify shareholders of record who are natural persons, in advance of a shareholders' meeting, of the Company's determination as to the number of shares for which they are entitled to five (5) votes per share and the number of shares for which they are entitled to one (1) vote. This determination will be shown on the Proxy cards for such shareholders. Shareholders of record who disagree with such determination may certify that no change in beneficial ownership has occurred during the relevant period by following the same procedure set out in the previous paragraph for other shareholders.

FOR FURTHER INFORMATION

For further information concerning the Voting Amendment in general, or its applicability to a shareholder's particular circumstances, please contact the Company:

Pioneer Hi-Bred International, Inc.
800 Capital Square, 400 Locust Street
P.O. Box 14458
Des Moines, IA 50306-3458
Attention: Jerry L. Chicoine, Secretary
Telephone number: 515-248-4800 or (800)247-5258

PIONEER HI-BRED INTERNATIONAL, INC.

SHAREHOLDER CERTIFICATION FORM
FOR
ANNUAL MEETING OF SHAREHOLDERS
ON
JANUARY 27, 1998

USE ONLY IF YOU CLAIM MORE VOTING RIGHTS

THAN INDICATED ON YOUR PROXY CARD

The undersigned certifies that:

1. Of the _____ shares of the Company's Common Stock held of record by the undersigned on the close of business on November 28, 1997, _____ shares have been beneficially owned continuously by the same person since November 28, 1994; and

2. (Applicable only to shareholders who are natural persons) -- the following is a statement supporting why the undersigned disagrees with the Company's determination of the voting power (as shown on the Proxy card) to which the undersigned is entitled in connection with the Annual Meeting:

Dated:

(Print Shareholder Name)

(Print Shareholder Name)

Signature of Shareholder(s)

Signature of Shareholder(s)

Please sign exactly as name appears on the Proxy for the Annual Meeting. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by the President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

THIS CERTIFICATION SHOULD BE RETURNED IN THE ENCLOSED POSTAGE PAID ENVELOPE.

EXHIBIT B

FORM OF CERTIFICATE OF AMENDMENT TO THE
THIRD RESTATED AND AMENDED
ARTICLES OF INCORPORATION
OF
PIONEER HI-BRED INTERNATIONAL, INC.

I.

The Corporation's Third Restated and Amended Articles of Incorporation is hereby amended by deleting clause (ii) of paragraph A of Article IV in its entirety and inserting the following so that clauses (ii) and (iii) of paragraph A of Article IV shall hereafter read as follows:

"(ii) 120,000,000 shares of Class B Common Stock without par value, and (iii) 10,000,000 shares, consisting of one class designated as serial preferred without par value."

II.

The Corporation's Third Restated and Amended Articles of Incorporation is hereby amended by deleting paragraph D of Article IV in its entirety and inserting the following so paragraph D and E of Article IV shall hereafter read as follows:

"D. 1. Designation; Class and Amount; Certain Definitions. The series of Class B Common Stock, the issuance of which is hereby authorized, shall comprise of 120,000,000 shares the distinctive serial designation of which shall be "Class B Common Stock." Each share of Class B Common Stock shall be identical in all respects with all other shares of Class B Common Stock. The number of shares of Class B Common Stock which are purchased or otherwise acquired by the Corporation or converted into Common Stock shall be canceled and shall revert to authorized but unissued shares of Class B Common Stock. The Corporation shall not issue, sell or otherwise transfer shares of Class B Common Stock to any Person other than the members of the Investor Group. Certain capitalized terms used herein have the meanings specified therefor in Section 9 below.

2. Dividends. (a) Except as set forth in the Investment Agreement, each Holder of shares of Class B Common Stock shall participate with the holders of Common Stock in all Dividends (other than Dividends in respect of which (x) an adjustment is made in the number of shares of Common Stock issuable upon conversion as prescribed in Section 6(c)(i) or Section 6(c)(iii) below or (y) an adjustment is not required to be so made because of the satisfaction of the proviso to the end of the first sentence of Section 6(c)(i)

below), when, as and if declared by the Board and paid or distributed by the Corporation on or in respect of the Common Stock on a share for share basis and in like tenor and forms as the Dividend paid on the Common Stock as if all shares of Class B Common Stock were converted into the number of shares of Common Stock (whether or not the Class B Common Stock is then so convertible) calculated in accordance with Section 6 below, immediately prior to the record date for such Dividend. Except as set forth above, holders of shares of Class B Common Stock shall not be entitled to receive any dividends. Except to the extent payable in respect of dividends paid on the Common Stock, no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on shares of Class B Common Stock.

(b) Dividends on the Class B Common Stock in respect of each Dividend shall be payable, when and if declared by the Board of Directors, concurrently with each date of payment (each such date, a "Dividend Payment Date") by the Corporation of Dividends on the Common Stock. Dividends payable in cash shall be paid by wire transfer in immediately available funds to the accounts designated by the respective Holders in written notices given to the Corporation at least two Business Days prior to the payment date or by such other means as may be agreed to by the Corporation and the respective Holders.

(c) The Corporation will cause written notice of each Dividend on the Class B Common Stock to be given to each Holder within five Business Days after it is determined by the Board of Directors.

3. Voting Rights. (a) Except as otherwise provided herein, or expressly provided in the Investment Agreement or as required by law, the Holders of Class B Common Stock shall not be entitled to any Vote.

(b) At any meeting called for the purpose of voting on (or acting by written consent with respect to) any matter to be voted upon by the holders of Common Stock of the Corporation, the holders of shares of Class B Common Stock and the holders of shares of Common Stock shall vote together as one class on all matters so submitted to a vote of stockholders of the Corporation. At any such meeting or in connection with any such action by written consent, each share of Class B Common Stock shall carry, as of the record date applicable to such vote, a number of votes equal to the Per Share Vote Amount as calculated by the Corporation for such meeting.

(c) In accordance with Section 6.2(b) of the Investment Agreement, the Corporation will cause written notice of any vote as to which holders of Common Stock are entitled to vote as a separate class or voting group under the Articles of Incorporation or Iowa Law (a "Class Vote"), to be given to each Holder at least 15

Business Days prior to such Class Vote.

4. Liquidation Preference. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, the Holders of shares of Class B Common Stock then outstanding shall be entitled, for each share of Class B Common Stock, to be paid out of the assets of the Corporation available for distribution to its stockholders the amount of cash or other property that would be payable on the number of shares of Common Stock then issuable upon conversion of such share of Class B Common Stock (whether or not then convertible) (such amount payable being adjusted appropriately to the extent required in Section 6(c) below to reflect any stock split, stock dividend, reverse stock split, or any transaction with comparable effect upon the Common Stock) (the "Liquidation Preference"). This entitlement of the Holders of shares of Class B Common Stock, to the extent equal to \$.01 for each share of Class B Common Stock, shall be satisfied before any similar payment shall be made or any assets distributed to the holders of the Common Stock or any other security junior in rank to the Class B Common Stock as to distribution of assets upon such dissolution, liquidation or winding up and otherwise shall be satisfied on a pari passu basis with the holders of the Common Stock. If the assets of the Corporation are not sufficient to pay in full the liquidation payments payable to all of the Holders of the outstanding shares of Class B Common Stock, then the Holders of all such shares shall share ratably in such distribution of assets in accordance with the liquidation preference to which they are entitled. For the purposes of this section, neither the voluntary sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation nor the consolidation or merger of the Corporation with one or more other corporations shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, unless such voluntary sale, conveyance, exchange or transfer shall be in connection with a dissolution or winding up of the business of the Corporation.

5. Restrictions on Transfer. The shares of Class B Common Stock are subject to the provisions of the Investment Agreement (including the provisions thereof restricting transfer of such stock).

6. Conversion. (a) (i) Concurrently with the transfer of Beneficial Ownership of any share of Class B Common Stock to any Person other than the Investor or another member of the Investor Group or Other Investor Affiliate, such share of Class B Common Stock shall convert into one fully-paid and non-assessable share of Common Stock (as adjusted pursuant to Section 6(c)), in accordance with the procedures provided in clause (b) of this Section 6.

(ii) At any time (x) at the direction of the Corporation, but only if the Corporation intends to recommend approval of a Voting Amendment (as defined in the Investment Agreement), and

(y) at the direction of the Investor, following the approval and effectiveness of a Voting Amendment, shares of Class B Common Stock shall be mandatorily convertible into fully-paid and non-assessable shares of Common Stock, with each share of Class B Common Stock being converted into one share of Common Stock (as adjusted pursuant to Section 6(c)).

(iii) At any time that all outstanding shares of Common Stock (or whatever security received upon conversion or exchange thereof) have the same vote per share, if any, without any time-phased voting, all shares of Class B Common Stock shall be convertible into fully-paid and non-assessable shares of Common Stock, with each such share of Class B Common Stock being converted into one share of Common Stock (as adjusted pursuant to Section 6(c)).

(iv) Except as set forth in this Section 6(a), the shares of Class B Common Stock are not convertible at the option of the Holder thereof.

(b) (i) Any Holder of shares of Class B Common Stock required (or in the case of clause (iii) above requesting) to convert any or all such shares into Common Stock shall surrender the certificate(s) evidencing such shares of Class B Common Stock of the Holder at the office of the transfer agent appointed for the purpose of such conversion by the Corporation. Such surrendered certificate(s), if the Corporation shall so require, shall be duly endorsed to the Corporation or in blank, or accompanied by proper instruments of transfer to the Corporation or in blank.

(ii) The Corporation shall, within one Business Day after such surrender of certificates evidencing shares of Class B Common Stock accompanied by written notice and in compliance with any other conditions contained herein, issue and deliver, or cause to be issued and delivered, to the Person(s) for whose account such certificate(s) evidencing shares of Class B Common Stock were so surrendered, or to the nominee(s) of such Person(s), certificates representing the number of full shares of Common Stock to which such Person shall be entitled pursuant to the then-applicable conversion rate. Such conversion shall be deemed to have been made on the date of such surrender of the certificate(s) evidencing shares of Class B Common Stock to be converted (the "Surrender Date") and the Person(s) entitled to receive the Common Stock deliverable upon conversion of such Class B Common Stock shall be treated for all purposes as the record holder(s) of such Common Stock on such date and thereafter. Conversion of Class B Common Stock may otherwise be achieved in accordance with such procedures as the Corporation and a majority of the Holders may agree.

(iii) In the event that fewer than all shares of Class B Common Stock represented by a surrendered certificate are to be converted hereunder, a new certificate shall be issued at the

Corporation's expense representing the shares of Class B Common Stock not so converted.

(iv) In connection with the conversion of any shares of Class B Common Stock, no fractions of shares of Common Stock shall be issued, but in lieu thereof the Corporation shall pay a cash adjustment in respect of such fractional interest in an amount equal to such fractional interest multiplied by the Market Price (as defined in the Investment Agreement) per share of Common Stock on the day on which such shares of Class B Common Stock are deemed to have been converted.

(c) The conversion rate shall be adjusted from time to time as follows:

(i) In case the Corporation shall, at any time or from time to time while any of the shares of Class B Common Stock are outstanding, (A) subdivide or reclassify its outstanding shares of Common Stock into a larger number of shares (including a subdivision effected by declaring and paying a Dividend payable in additional shares of Common Stock), or (B) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the conversion rate in effect immediately prior to such action shall be adjusted so that the Holder of any shares of Class B Common Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock which such Holder would have owned or have been entitled to receive immediately following such action had such shares of Class B Common Stock been converted immediately prior thereto (which adjustments shall be in lieu of payment of any Dividend on the Class B Common Stock); provided that no adjustment pursuant to this Section 6(c)(i) shall be made in connection with a subdivision, combination or reclassification (including by way of a Dividend payable in additional shares of Common Stock) described above if the Corporation shall concurrently therewith subdivide, combine or reclassify (including by way of a Dividend payable in additional shares of Class B Common Stock) the outstanding Class B Common Stock on the same basis as the Common Stock is so subdivided, combined or reclassified. An adjustment made pursuant to this Section 6(c)(i) shall become effective immediately after the close of business on the effective date of a subdivision, reclassification or combination. If, as a result of an adjustment made pursuant to this Section 6(c)(i), the Holder of any shares of Class B Common Stock thereafter surrendered for conversion shall become entitled to receive shares of two or more classes of capital stock of the Corporation, the Board of Directors shall make an appropriate allocation of the adjusted conversion rate between or among shares of such classes of capital stock in accordance with the entitlements of the Common Stock underlying the Class B Common Stock in connection with such adjustment.

(ii) Whenever an adjustment in the conversion

rate is required, the Corporation shall forthwith place on file with its Transfer Agent a statement signed by its Chief Executive Officer, Chief Financial Officer or a Vice President and by its Secretary, Assistant Secretary, Treasurer or Assistant Treasurer, stating the adjusted conversion rate determined as provided herein. Such statements shall set forth in reasonable detail such facts as shall be necessary to show the reason and the manner of computing such adjustment.

(iii) In the event that prior to the issuance of the Class B Common Stock the Company shall (A) subdivide or reclassify its outstanding shares of Common Stock into a larger number of shares (including a subdivision effected by declaring or paying a Dividend payable in additional shares of Common Stock) or (B) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the conversion ratio applicable to the Class B Common Stock shall be appropriately adjusted.

(d) (i) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized and unissued stock, such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all shares of Class B Common Stock from time to time outstanding, solely for the purpose of effecting such conversion. The Corporation shall, from time to time, in accordance with the laws of the State of Iowa, increase the authorized number of shares of Common Stock if at any time the number of shares of authorized and unissued Common Stock shall not be sufficient to permit the conversion of all the then outstanding shares of Class B Common Stock.

(ii) The Corporation will pay any and all stamp and transfer taxes that may be payable in respect of the issuance or delivery of shares of Common Stock upon conversion of shares of Class B Common Stock pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Class B Common Stock so converted were registered and no such issuance or delivery shall be made unless and until the person requesting such issuance has paid to the Corporation the amount of any such tax or has established to the satisfaction of the Corporation that such tax has been paid.

(e) In case of (i) any reclassification or change of outstanding shares of Common Stock (other than a change in par value or from par value to no par value or from no par value to par value, or as a result of a subdivision or combination) or (ii) any consolidation or merger of the Corporation with one or more other corporations (other than a consolidation or merger in which the Corporation is the continuing corporation and which does not result in any reclassification or change of outstanding shares of Common Stock issuable upon conversion of Class B Common Stock) or (iii) any sale or

conveyance to another corporation or other entity of all or substantially all of the property of the Corporation, then the Corporation, or such successor corporation or other entity, as the case may be, shall make appropriate provision so that the holder of each share of Class B Common Stock then outstanding shall have the right to convert such share into the kind and amount of shares of stock or other securities and property receivable upon such consolidation, merger, sale, reclassification, change or conveyance by a holder of the number of shares of Common Stock into which such shares of Class B Common Stock might have been converted immediately prior to such consolidation, merger, sale, reclassification, change or conveyance, subject to adjustment which shall be as nearly equivalent as may be practicable to the adjustments provided for in Section 6(c) (to the extent adjustment would be required pursuant to Section 6(c) above). If the holders of Common Stock are entitled to elect the consideration payable pursuant to any consolidation, merger, sale, conveyance or other transaction or event set forth above, the Holders also shall be entitled to elect between such forms of consideration. The provisions of this paragraph shall apply similarly to successive consolidations, mergers, sales, conveyances or other transactions or events.

(f) Whenever the number of shares of Common Stock into which each share of Class B Common Stock is convertible is adjusted as provided in this Section 6, the Corporation shall promptly mail to the Holders a notice in accordance with Section 8 below stating that the number of shares of Common Stock into which the shares of Class B Common Stock are convertible has been adjusted and setting forth the new number of shares of Common Stock (or describing the new stock, securities, cash or other property) into which each share of Class B Common Stock is convertible, as a result of such adjustment, a brief statement of the facts requiring such adjustment and the computation thereof, and when such adjustment became effective.

7. Limited Priority. The Class B Common Stock shall, to the extent of the Liquidation Preference set forth in Section 4, be senior in rank as to distribution of assets upon any liquidation, dissolution or winding up of the affairs of the Corporation, to the Common Stock, or any class of equity securities of the Corporation which by its terms are junior to the Class B Common Stock, unless the Holders of 66 2/3 percent of the outstanding shares of the Class B Common Stock shall otherwise consent.

8. Notices. The Corporation shall provide notice to each Holder of any action taken or proposed to be taken or any determination made by the Corporation and/or the Holder under the terms of this Third Restated and Amended Articles of Incorporation. Notice of any such action or determination by the Corporation and/or the Holder and all other notices and other communications provided for in this Third Restated and Amended Articles of Incorporation shall be

delivered by facsimile and by reputable overnight courier,

(a) If to the Company, to:

Pioneer Hi-Bred International, Inc.
800 Capital Square, 400 Locust Street
Des Moines, Iowa 50309
Attention: General Counsel
Telephone: (515) 248-4800
Facsimile: (515) 248-4844

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Telephone: (212) 859-8000
Facsimile: (212) 859-4000
Attn.: Stephen Fraidin

or such other address as the Corporation shall have furnished to the Holders in writing,

(b) if to a Holder, to the address and facsimile number of such Holder listed on the Stock Books of the Corporation.

9. Definitions. Certain capitalized terms are used herein as defined below:

"Affiliate" of a Person has the meaning set forth in Rule 12b-2 under the Exchange Act.

"Articles of Incorporation" means the Third Restated and Amended Articles of Incorporation of the Corporation, as amended from time to time.

"Beneficially Owned" with respect to any securities means having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act, as in effect on the date hereof, without limitation by the 60-day provision in paragraph (d)(1)(i) thereof). The terms "Beneficial Ownership" and "Beneficial Owner" have correlative meanings.

"Board" means the Board of Directors of the Corporation.

"Business Day" means any day other than a Saturday, Sunday, or a day on which banking institutions in the State of Iowa are authorized or obligated by law or executive order to close.

"Class B Common Stock" has the meaning specified in Section 1 above.

"Common Stock" means the Common Stock, par value \$1.00 per share, of the Corporation.

"Common Voting Power" means, in respect of any record date for any meeting of stockholders (or action by written consent in lieu of a meeting) the aggregate Votes represented by all then outstanding Voting Securities other than the Class B Common Stock as determined by the Board in accordance with the procedures set forth in the Articles of Incorporation based on the actual Votes entitled to be voted at such meeting (excluding any estimation of any kind, including as to who would have been entitled to 5 Votes per share if such shareholders had taken the requisite steps to obtain such Vote).

"Dividend" means any dividend or distribution on or in respect of the Common Stock of the Corporation, whether in cash, additional shares of Common Stock or other property.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder.

"Holder" means a holder of record of a share or shares of Class B Common Stock.

"Investment Agreement" means the Agreement, dated as of August 6, 1997, between the Investor and the Corporation, as amended and/or restated from time to time.

"Investor" means E.I. du Pont de Nemours and Company.

"Investor Group" shall have the meaning set forth in the Investment Agreement.

"Investor Group Total Ownership Percentage" means, with respect to the Investor Group calculated at a particular point in time, the ratio, expressed as a percentage, of (a) the total number of shares of Common Stock Beneficially Owned by the Investor Group and issuable upon conversion of (whether or not then convertible), or otherwise constituting the economic equivalent of, all Common Securities (as defined in the Investment Agreement) Beneficially Owned by the Investor Group, over (b) the total number of shares of Common Stock then outstanding and the number of shares of Common Stock issuable upon conversion (whether or not then convertible) of, or otherwise constituting the economic equivalent of, all outstanding Common Securities; provided that in no event shall the Investor Group Total Ownership Percentage of all Holders of Class B Common Stock be greater than 20%.

"Iowa Law" shall mean the Business Corporation Act of the State of Iowa.

"Liquidation Preference" has the meaning specified in Section 4 above.

"Other Investor Affiliate" shall have the meaning set forth in the Investment Agreement.

"Per Share Vote Amount" means in respect of any record date for any meeting of stockholders (or action by written consent in lieu of a meeting) that number of Votes per share of Class B Common Stock equal to (x) the Total Preferred Vote Amount as of such record date amount divided by (y) the number of shares of Class B Common Stock outstanding as of such record date.

"Person" means any individual, corporation, company, association, partnership, joint venture, limited liability company, trust or unincorporated organization, group (within the meaning of Rule 13d-5 under the Exchange Act) or a government or any agency or political subdivision thereof.

"Stock Books" means the stock transfer books of the Corporation relating to its Common Stock and Preferred Stock.

"Subsidiary" means, as to any Person, any other Person more than fifty percent (50%) of the shares of the voting stock or other voting interests of which are owned or controlled, or the ability to select or elect more than fifty percent (50%) of the directors or similar managers is held, directly or indirectly, by such first Person or one or more of its Subsidiaries or by such first Person and one or more of its Subsidiaries. A Subsidiary that is directly or indirectly wholly-owned by another Person except for directors' qualifying shares shall be deemed wholly-owned for purposes of this Agreement.

"Surrender Date" has the meaning specified in Section 6 above.

"13D Group" shall mean any group of Persons who, with respect to those acquiring, holding, voting or disposing of Voting Securities would, assuming ownership of the requisite percentage thereof, be required under Section 13(d) of the Exchange Act and the rules and regulations thereunder to file a statement on Schedule 13D with the Securities and Exchange Commission as a "person" within the meaning of Section 13(d)(3) of the Exchange Act, or who would be considered a "person" for purposes of Section 13(g)(3) of the Exchange Act.

"Total Preferred Vote Amount" means, in respect of the record date for any meeting (or action by written consent in lieu of a meeting) of shareholders of the Corporation to vote on any matter, an aggregate number of Votes equal to (a) the Common Voting Power as of such record date multiplied by (b) a fraction, the numerator of which

is the Investor Group Total Ownership Percentage (expressed as a fraction carried to two decimal places) as of such record date and the denominator of which is 1.00 minus the Investor Group Total Ownership Percentage (expressed as a fraction carried to two decimal places) as of such record date; provided that in no event shall the Total Preferred Vote Amount be greater than 20% of Total Voting Power.

"Total Voting Power" means in respect of any record date for any meeting of stockholders (or action by written consent in lieu of a meeting) the aggregate Votes represented by all then outstanding Voting Securities as determined by the Board in accordance with the procedures set forth in the Articles of Incorporation based on the actual Votes entitled to be voted at such meeting (excluding any estimation of any kind, including as to who would have been entitled to 5 Votes per share if such shareholders had taken the requisite steps to obtain such Vote).

"Votes" shall mean, at any time, with respect to any Voting Securities, the total number of votes that would be entitled to be cast by the holders of such Voting Securities generally (by the terms of such Voting Securities, the Articles of Incorporation or any certificate of designations for such Voting Securities) in a meeting for the election of directors held at such time, including the votes that would be able to be cast by holders of shares of Class B Common Stock in accordance with the procedures set forth in the Articles of Incorporation based on the actual number of Votes entitled to be voted at such meeting (excluding any estimation of any kind, including as to who would have been entitled to 5 Votes per share if such shareholders had taken the requisite steps to obtain such Vote).

"Voting Securities" means the shares of Common Stock, the Class B Common Stock and any other securities of the Corporation entitled to vote generally for the election of directors, and any securities (other than employee stock options) which are convertible into, or exercisable or exchangeable for, Voting Securities.

E. The holder of any shares of such Common Stock, Class B Common Stock or Serial Preferred Stock shall have no preemptive rights to acquire any additional shares of the Corporation or to acquire any treasury stock of the Corporation."

III.

Upon the filing in the Office of the Secretary of State of the State of Iowa of this Certificate of Amendment, (i) each of the outstanding 164,445.86 shares of Series A Convertible Preferred Stock of the Corporation issued and outstanding immediately prior to such filing of this Certificate of Amendment shall be automatically reclassified and changed without any further action on the part of the Corporation or shareholders of the Corporation into one hundred fully paid and nonassessable shares of Class B Common Stock, and (ii) each

of the 200,000 authorized shares of Series A Convertible Preferred Stock will revert to serial preferred without designation and the Certificate of Designation of Series A Convertible Preferred Stock will cease to be in force and effect.

EXHIBIT C

FORM OF AMENDMENT TO THE
THIRD RESTATED AND AMENDED ARTICLES OF INCORPORATION
OF
PIONEER HI-BRED INTERNATIONAL, INC.

ARTICLE IV

Article IV of the Articles of Incorporation shall be amended by replacing the following language of paragraph A:

A. The aggregate amount of authorized capital stock of this Corporation shall be \$150,000,000 divided into (i) 150,000,000 shares, consisting of one class designated as common and having a par value of One Dollar (\$1.00) per share,

with the following language:

A. The aggregate amount of authorized capital stock of this Corporation shall be \$600,000,000 divided into (i) 600,000,000 shares, consisting of one class designated as common and having a par value of One Dollar (\$1.00) per share,

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