

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

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UNITED STATES OF AMERICA	)	
	)	CRIMINAL NO.
v.	)	
	)	
MONSANTO COMPANY,	)	15 U.S.C. §§ 78dd-1(a) & (g)
	)	(Foreign Corrupt Practices Act)
<i>defendant.</i>	)	
	)	15 U.S.C. § 78m(b)
	)	(False Books & Records)

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**DEFERRED PROSECUTION AGREEMENT**

Defendant MONSANTO COMPANY, a Delaware Corporation, by its undersigned attorneys, pursuant to authority granted by its Board of Directors, and the United States Department of Justice, Criminal Division, Fraud Section, enter into this Deferred Prosecution Agreement.

1. MONSANTO COMPANY accepts and acknowledges that the United States will file a criminal information in the United States District Court for the District of Columbia charging MONSANTO COMPANY with violating the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-1, and making false entries into its books and records, in violation of Title 15, United States Code, § 78m(b)(2) & (5). In doing so, MONSANTO COMPANY knowingly and willingly waives its right to indictment on these charges.
2. This Agreement reflects MONSANTO COMPANY's previous actions in investigating misconduct in its Asia-Pacific operations, voluntarily reporting its findings, and cooperating in the government's subsequent investigation; its adoption of the remedial measures set forth herein; its commitment to maintain and independently review such measures; and its willingness to continue to cooperate with the Fraud Section in its investigation.

MONSANTO COMPANY does not endorse, ratify or condone criminal conduct and, as set forth below, has taken steps to prevent such conduct from occurring in the future.

3. Based on information provided to MONSANTO COMPANY by the U.S. Securities & Exchange Commission, including sworn testimony, and by the Fraud Section, MONSANTO COMPANY accepts and acknowledges that it is responsible for the acts of its employees as set forth in the Statement of Facts attached hereto as Appendix A. Should the Fraud Section pursuant to paragraph fourteen initiate the prosecution that is deferred by this Agreement, MONSANTO COMPANY will neither contest the admissibility of, nor contradict, the Statement of Facts in any such proceeding.
4. MONSANTO COMPANY expressly agrees that it shall not, through its present or future attorneys, board of directors, officers, or any other person authorized to speak for the Company, make any public statement, in litigation or otherwise, contradicting MONSANTO COMPANY's acceptance of responsibility set forth above or the factual statements set forth in Appendix A hereto. Any such contradictory statement shall constitute a breach of this Agreement as governed by paragraph fourteen of this Agreement, and MONSANTO COMPANY thereafter would be subject to prosecution as set forth in paragraphs fourteen to sixteen of this Agreement. The decision of whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to MONSANTO COMPANY for the purpose of determining whether MONSANTO COMPANY has breached this Agreement shall be at the sole discretion of the Fraud Section. Should the Fraud Section decide that a public statement by any such person contradicts in whole or in part a statement of fact contained in the Statement of Facts, the Fraud Section

shall notify MONSANTO COMPANY. MONSANTO COMPANY may avoid a breach of this Agreement by publicly repudiating such statement within 48 hours after notification. Consistent with MONSANTO COMPANY's obligations as set forth above, MONSANTO COMPANY shall be permitted to raise defenses and to assert affirmative claims in civil and regulatory proceedings relating to the matters set forth in the Statement of Facts. This paragraph is not intended to apply to any statement made by any MONSANTO COMPANY employee in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of MONSANTO COMPANY.

5. MONSANTO COMPANY agrees to issue a press release, the text of which shall be acceptable to the Fraud Section.
6. During the three-year term of this Agreement, MONSANTO COMPANY agrees to cooperate fully with the Fraud Section, and with any other agency designated by the Fraud Section, in investigating MONSANTO COMPANY and any of its present and former officers, employees, consultants, contractors and subcontractors in all matters relating to corrupt payments in the Asia-Pacific region. MONSANTO COMPANY agrees that its cooperation shall include, but is not limited to, the following:
  - a. MONSANTO COMPANY shall continue to fully cooperate with the Department of Justice and shall truthfully disclose all information with respect to the activities of MONSANTO COMPANY, its officers, employees, agents, consultants, contractors and sub-contractors concerning all matters relating to corrupt payments in the Asia-Pacific region and related false books and records and inadequate internal controls about which MONSANTO COMPANY has any knowledge or about which the Fraud

Section shall inquire. This obligation of truthful disclosure includes an obligation upon MONSANTO COMPANY to provide to the Fraud Section, upon request, any document, record, or other tangible evidence relating to such corrupt payments, books and records, and internal controls about which the Fraud Section shall inquire of MONSANTO COMPANY. This obligation of truthful disclosure includes an obligation to provide to the Fraud Section access to MONSANTO COMPANY's facilities, documents, and employees. This paragraph does not apply to any information provided to counsel solely for the purpose of enabling counsel to render legal advice with respect to the government's investigation.

- b. Upon request of the Fraud Section, with respect to any issue relevant to its investigation of corrupt payments in the Asia-Pacific region and related false books and records and inadequate internal controls, MONSANTO COMPANY shall designate knowledgeable employees, agents, or attorneys to provide non-privileged information and materials on MONSANTO COMPANY's behalf to the Fraud Section. It is further understood that MONSANTO COMPANY must at all times give complete, truthful, and accurate information.
- c. With respect to any issue relevant to the Department of Justice's investigation of corrupt payments in the Asia-Pacific region, MONSANTO COMPANY shall use its best efforts to make available its employees to provide information and testimony as requested by the Fraud Section, including sworn testimony before a federal grand jury or in federal trials, as well as interviews with federal law enforcement authorities. Cooperation under this paragraph will include identification of witnesses

who, to MONSANTO COMPANY's knowledge, may have material information regarding the matters under investigation.

- d. With respect to any issue relevant to the Department of Justice's investigation of corrupt payments in the Asia-Pacific region, MONSANTO COMPANY shall use its best efforts to make available for interviews, or for testimony, present or former MONSANTO COMPANY officers, directors, agents, consultants, and employees, and the officers, directors, employees, agents, and consultants of contractors and sub-contractors as requested by the Fraud Section.
  - e. With respect to any information, testimony, document, record, or other tangible evidence provided to the Fraud Section pursuant to this Agreement, MONSANTO COMPANY consents to any and all disclosures to other government agencies of such materials as the Fraud Section, in its sole discretion, deems appropriate.
7. In return for MONSANTO COMPANY's full and truthful cooperation, the Department of Justice agrees not to use any information provided by MONSANTO COMPANY pursuant to this Agreement against MONSANTO COMPANY or its subsidiaries in any criminal or civil case relating to past corrupt payments in the Asia-Pacific region except in a prosecution for perjury or obstruction of justice; in a prosecution for making a false statement after the date of this Agreement; in a prosecution or other proceeding relating to any crime of violence; or in a prosecution or other proceeding relating to a violation of any provision of Title 26 of U.S. Code. In addition, the Department of Justice agrees, except as provided herein, that it will not bring any criminal or civil case relating to past corrupt payments against MONSANTO COMPANY based on the conduct of Employee A, who is described

in the attached Statement of Facts. This paragraph does not provide any protection against prosecution for corrupt payments, if any, made in the future by MONSANTO COMPANY, its subsidiaries, affiliates, officers, directors, agents, or consultants, whether or not disclosed by MONSANTO COMPANY pursuant to the terms of this Agreement, nor does it apply to such payments, if any, made in the past outside of the Asia-Pacific region.

8. MONSANTO COMPANY represents that it has implemented a compliance and ethics program designed to detect and prevent violations of the Foreign Corrupt Practices Act and other applicable foreign bribery laws throughout its worldwide operations, including those of its subsidiaries, affiliates, and joint ventures, and those of its contractors and subcontractors with responsibilities that include interactions with foreign officials. Further, MONSANTO COMPANY agrees to adopt and implement by March 1, 2005 , additional specific new policies and procedures relating to the prevention and detection of corrupt practices. These policies and procedures to which MONSANTO COMPANY agrees are described in Appendix B to this Agreement. Nothing in this Agreement precludes MONSANTO COMPANY from amending or changing its policies and procedures in the future so long as said amendments or changes do not diminish the policies and procedures set forth in Appendix B. During the three year period set forth in paragraph nine below, no amendments or changes will be made to the policies and procedures set forth in Appendix B without the approval of the independent compliance expert referred to in paragraph nine below. Moreover, implementation of these policies and procedures pursuant to this Agreement shall not be construed in any future enforcement proceeding as providing immunity or amnesty for any crimes not disclosed to the Fraud Section as of the date of the

execution of this Agreement for which MONSANTO COMPANY would otherwise be responsible.

9. MONSANTO COMPANY also agrees that for a period of three years, it will retain an independent compliance expert (who may be an individual, partnership, or other entity, including outside counsel), acceptable to the Department, to undertake a special review of its compliance program during the first year and a follow-up audit during the third year. To the extent that MONSANTO COMPANY structures the retention of the independent compliance expert such that the attorney-client privilege could conceivably be applicable, it shall be a condition of that retention that MONSANTO COMPANY shall waive as to the Fraud Section and the U.S. Securities and Exchange Commission the attorney-client privilege and any other protections accorded to communications and client confidences with respect to communications between the independent compliance expert and MONSANTO COMPANY and the independent compliance expert's work product. The independent compliance expert shall:

- a. certify that MONSANTO COMPANY's policies and procedures are appropriately designed to accomplish their goals;
- b. monitor MONSANTO COMPANY's implementation of and compliance with the policies and procedures; and
- c. report on the independent compliance expert's findings to MONSANTO COMPANY's corporate compliance officer as to the effectiveness of the policies and procedures.

Should the independent compliance expert, during this three year period, determine that there is a reasonable likelihood that corrupt payments have been offered, promised, paid, or authorized by any MONSANTO COMPANY entity, including agents, consultants, and joint ventures, shareholders acting on MONSANTO COMPANY's behalf, and contractors and sub-contractors working directly or indirectly for MONSANTO COMPANY, he or she shall promptly report such payments to the corporate compliance officer and MONSANTO COMPANY shall then be obligated to report the same to the Fraud Section as set forth in paragraph ten below. Should MONSANTO COMPANY not make such a disclosure, the independent compliance expert shall independently make such a disclosure to the Fraud Section notwithstanding any privileged relationship that may exist between the independent compliance expert and MONSANTO COMPANY. Further, the independent compliance expert shall disclose to the Fraud Section in the event MONSANTO COMPANY, or its officers, employees, consultants, agents, and joint ventures, or shareholders acting on MONSANTO COMPANY's behalf, or contractors or sub-contractors working directly or indirectly for MONSANTO COMPANY refuse to provide information necessary for the performance of the independent compliance expert's responsibilities. By this Agreement, MONSANTO COMPANY agrees that any privilege, to the extent it exists, shall not bar such disclosures by the independent compliance expert and that it will not take any action to retaliate against such independent compliance expert for such disclosures.

10. As set forth in paragraphs eight and nine above and in Appendix B attached hereto, MONSANTO COMPANY undertakes pursuant to this Agreement to maintain a rigorous compliance program and internal controls intended to prevent and detect corrupt payments



and related false books and records. During the period of this Agreement, MONSANTO COMPANY agrees that it will immediately disclose to the Fraud Section any information of which it learns that suggests there is a reasonable likelihood that corrupt payments were offered, promised, paid, or authorized by any MONSANTO COMPANY entity, including agents, consultants, and joint ventures, shareholders acting on MONSANTO COMPANY's behalf, and contractors or sub-contractors working directly or indirectly for MONSANTO COMPANY.

11. MONSANTO COMPANY further agrees that it shall pay a monetary penalty of \$1,000,000 to the U.S. Treasury within ten days of the execution of this Agreement. This amount is a final payment and shall not be refunded a) if the Fraud Section moves to dismiss the Information pursuant to paragraph thirteen below or b) should the Fraud Section later determine that MONSANTO COMPANY has breached this Agreement and brings a prosecution against it pursuant to paragraph fourteen below. Further, nothing in this Agreement shall be deemed an agreement by the Fraud Section that this amount is the maximum criminal fine that in any such case may be imposed in such prosecution, and the Fraud Section shall not be precluded from arguing that the Court should impose a higher fine. The Fraud Section agrees, however, to recommend to the Court that the amount paid pursuant to this Agreement should be offset against whatever fine the Court shall impose as part of its judgment in the event of a subsequent breach and prosecution.
12. In light of MONSANTO COMPANY's self-reporting of the unlawful conduct of its employees and consultants and its willingness a) to acknowledge responsibility for their behavior, b) to continue its cooperation with the Fraud Section and other investigative and

regulatory agencies, c) to adopt or maintain and independently review remedial measures set forth herein and its commitment to implement and audit such measures, and d) to consent to pay the monetary penalty set forth in paragraph eleven above, the Fraud Section shall recommend to the Court that prosecution of MONSANTO COMPANY on the Information filed pursuant to paragraph one be deferred for a period of three years from the date of this Agreement.

13. The Fraud Section agrees that if MONSANTO COMPANY is in full compliance with all of its obligations under this Agreement, the Fraud Section, within thirty (30) days of the expiration of the period set forth in paragraph twelve above, will seek dismissal with prejudice of the Information filed against MONSANTO COMPANY pursuant to paragraph one and this Agreement shall expire.
14. If the Fraud Section determines, in its sole discretion, that MONSANTO COMPANY, at any time between the execution of this Agreement and completion of defendant's cooperation, provided deliberately false, incomplete, or misleading information under this Agreement or has committed any federal crimes subsequent to the date of this Agreement or has otherwise violated any provision of this Agreement, MONSANTO COMPANY shall, in the Fraud Section's sole discretion, thereafter be subject to prosecution for any federal criminal violation of which the Fraud Section has knowledge. Any such prosecutions may be premised on information provided by MONSANTO COMPANY. Moreover, MONSANTO COMPANY agrees that any such prosecutions that are not time-barred by the applicable statute of limitations on the date of this Agreement may be commenced against MONSANTO COMPANY in accordance with this Agreement, notwithstanding the

expiration of the statute of limitations between the signing of this Agreement and December \_\_, 2007. By this Agreement, MONSANTO COMPANY expressly intends to and does waive any rights in this respect.

15. It is further agreed that in the event that the Fraud Section, in its sole discretion, determines that MONSANTO COMPANY has violated any provision of this Agreement: a) all statements made by or on behalf of MONSANTO COMPANY to the Fraud Section, or any testimony given by MONSANTO COMPANY before a grand jury or any tribunal, at any legislative hearings, or to the U.S. Securities and Exchange Commission, whether prior or subsequent to this Agreement, or any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Fraud Section against MONSANTO COMPANY and b) MONSANTO COMPANY shall not assert any claim under the United States Constitution, Rule 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that statements made by or on behalf of MONSANTO COMPANY prior to or subsequent to this Agreement, or any leads therefrom, should be suppressed. The decision whether conduct or statements of any individual will be imputed to MONSANTO COMPANY for the purpose of determining whether MONSANTO COMPANY has violated any provision of this Agreement shall be in the sole discretion of the Fraud Section.
16. MONSANTO COMPANY acknowledges that the Fraud Section has made no representations, assurances, or promises concerning what sentence may be imposed by the Court should MONSANTO COMPANY breach this Agreement and this matter proceed to judgment. MONSANTO COMPANY further acknowledges that any such sentence is solely

within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

17. MONSANTO COMPANY agrees that in the event it sells or merges all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale is structured as a stock or asset sale, it shall include in any contract for sale or merger a provision binding the purchaser/successor to the obligations described in this Agreement.
18. It is understood that this Agreement is binding on MONSANTO COMPANY and the Fraud Section but specifically does not bind any other federal agencies, or any state or local law enforcement or regulatory agencies, although the Fraud Section will bring the cooperation of MONSANTO COMPANY and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by MONSANTO COMPANY and its attorneys.
19. This Agreement sets forth all the terms of the Deferred Prosecution Agreement between MONSANTO COMPANY and the Fraud Section. No modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Fraud Section, MONSANTO COMPANY's attorneys, and a duly authorized representative of MONSANTO COMPANY.

FOR THE DEPARTMENT OF JUSTICE, CRIMINAL DIVISION, FRAUD SECTION:

JOSHUA R. HOCHBERG  
Chief, Fraud Section  
Criminal Division  
United States Department of Justice

PETER B. CLARK  
Deputy Chief

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PHILIP UROFSKY  
Assistant Chief  
MARK F. MENDELSON  
Acting Deputy Chief  
MALINDA LAWRENCE  
Trial Attorney  
Fraud Section, Criminal Division  
United States Department of Justice  
10<sup>th</sup> & Constitution Ave. NW (Bond)  
Washington, D.C. 20530  
(202) 514-7023

FOR MONSANTO COMPANY:

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CHARLES W. BURSON  
General Counsel  
Monsanto Company  
800 North Lindbergh Boulevard  
St. Louis, Missouri 63167  
(314) 694-1000

OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with counsel for MONSANTO COMPANY. I understand the terms of this Agreement and voluntarily agree, on behalf of MONSANTO COMPANY, to each of its terms. Before signing this Agreement, I consulted with the attorney for MONSANTO COMPANY. The attorney fully advised me of MONSANTO COMPANY's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed every part of this Agreement with directors of MONSANTO COMPANY. I have fully advised these directors of MONSANTO COMPANY's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of MONSANTO COMPANY, in any way to enter into this Agreement. I am also satisfied with the attorney's representation in this matter. I certify that I am an officer of MONSANTO COMPANY and that I have been dully authorized by MONSANTO COMPANY to execute this Agreement on behalf of MONSANTO COMPANY.

\_\_\_\_\_  
Date

MONSANTO COMPANY

By: \_\_\_\_\_  
Title:

CERTIFICATE OF COUNSEL

I am counsel for MONSANTO COMPANY in the matter covered by this Agreement. In connection with such representation, I have examined relevant MONSANTO COMPANY documents and have discussed this Agreement with the authorized representative of MONSANTO COMPANY. Based on my review of the foregoing materials and discussions, I am of the opinion that:

MONSANTO COMPANY's representative has been duly authorized to enter into this Agreement on behalf of MONSANTO COMPANY. This Agreement has been duly and validly authorized, executed, and delivered on behalf of MONSANTO COMPANY and is a valid and binding obligation of MONSANTO COMPANY. Further, I have carefully reviewed every part of this Agreement with the General Counsel of MONSANTO COMPANY. I have fully advised him of MONSANTO COMPANY's rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement. To my knowledge, MONSANTO COMPANY's decision to enter into this Agreement is an informed and voluntary one.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Homer E. Moyer Jr., Esq.  
Counsel for MONSANTO COMPANY

CERTIFIED COPY OF RESOLUTION

WHEREAS, the Company has been engaged in discussions with the United States Department of Justice in connection with issues arising out of the Company's Indonesian operations;

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the United States Department of Justice; and

WHEREAS the Company's General Counsel has advised the Board of Directors of the Company's rights, possible defenses, the Organizational Sentencing Guidelines' provisions and the consequences of entering into such agreement with the United States Department of Justice;

This Board hereby RESOLVES that:

1. The Company (I) consent to the filing in the United States District Court for the District of Columbia of an Information charging the Company with violating the Foreign Corrupt Practices Act and making false entries in its books and records, both charges relating to its former employee directing and concealing a payment to an Indonesian official; and (ii) waive indictment on such charges and enter into a deferred prosecution agreement with the United States Department of Justice; and (iii) further agrees to pay a monetary penalty of \$1,000,000;
2. The General Counsel, or his delegate, be, and hereby is, authorized on behalf of the Company to execute the deferred prosecution agreement substantially in such form as reviewed by this Board of Directors at this meeting with such changes as the General Counsel, or his delegate, may approve;
3. The Board hereby authorizes, empowers and directs the General Counsel of the Company, or his delegate, to take any and all actions as may be necessary or appropriate, and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate to carry out and effectuate the purpose and intent of the foregoing resolutions; and
4. All of the actions of the General Counsel of the Company, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved and adopted as actions on behalf of the Company.



APPENDIX A  
UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	)	
	)	CRIMINAL NO.
v.	)	
	)	
MONSANTO COMPANY,	)	15 U.S.C. §§ 78dd-1(a) & (g)
<i>defendant.</i>	)	(Foreign Corrupt Practices Act)
	)	
	)	15 U.S.C. § 78m(b)
	)	(False Books & Records)

**STATEMENT OF FACTS**

**Background:**

1. MONSANTO COMPANY is a business incorporated under the laws of the State of Delaware, and having its principal place of business in St. Louis, Missouri and offices elsewhere, including in the District of Columbia. At all relevant times, MONSANTO COMPANY has had a class of securities registered pursuant to section 15 of the Securities Exchange Act of 1934 (15 U.S.C. § 78o) and was required to file reports with the U.S. Securities and Exchange Commission under section 12 of the Securities Exchange Act (15 U.S.C. § 78l). As such, MONSANTO COMPANY is an “issuer” within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-1.
2. Employee A was an American citizen responsible for certain activities in the Asia-Pacific Region. As such, Employee A was an employee of an “issuer” within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1.
3. Consultant Company is a corporation incorporated under the laws of Indonesia, which was hired by MONSANTO COMPANY and its Indonesia subsidiary, P.T. Monagro

Kimia, to assist it in obtaining various governmental approvals and licenses. As such, Consultant Company was an agent of an “issuer” within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1.

4. Official was a high-ranking official of the Republic of Indonesia who was in a position to authorize various decrees and regulations that would have enabled MONSANTO COMPANY to sell certain products in Indonesia. MONSANTO COMPANY viewed Official’s support as “essential for for [sic] us to further develop our . . . business” in Indonesia and as “a very important person for our commercial approvals . . . there.” As such, Official was a “foreign official” within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1(f)(1)(A).

### **Bribery**

5. MONSANTO COMPANY is a global provider of technology-based solutions and agricultural products that it markets as improving farm productivity and food quality. Such products include various genetically-modified crops, including cotton, which it markets as being superior to naturally-occurring crops in their ability to resist various diseases, produce higher yields, etc. However, various groups oppose the expansion of such crops and lobby governments and government officials around the world to deny permits, enact restrictive or prohibitive laws and regulations, and generally obstruct the sales, planting, harvesting, and marketing of such crops.
6. In Indonesia, a prior government had announced a rule requiring an environmental impact study, known as AMDAL, for a variety of activities including the cultivation of genetically modified crops. After a change of governments, MONSANTO COMPANY

sought to have the new government, in which Official had a post, amend or repeal the requirement for the environmental impact statement.

7. Despite months of such efforts by MONSANTO COMPANY, through Employee A and Consultant Company, MONSANTO COMPANY had failed to obtain Official's agreement to amend or repeal the AMDAL requirement. At several meetings Consultant Company, Official A explained that it was very difficult politically for him to sign a decree amending or repealing the AMDAL requirement. Finally, at a meeting between Employee A and representatives of Consultant Company, Employee A directed Consultant Company to "incentivize" Official by paying him \$50,000 in cash. Employee A stated that MONSANTO COMPANY would reimburse Consultant Company through paying invoices that falsely sought "consultant fees" relating to trips by Indonesian officials to the United States in December 2001 and January 2002. Employee A agreed to also cover any taxes Consultant Company would owe by reporting the income from the "consultant fees." During the planning of the payment to Official, Employee A instructed Consultant Company not to discuss the payment with any other employee of MONSANTO COMPANY.
8. On December 20, 2001, Employee A directed Consultant Company to send MONSANTO COMPANY an invoice seeking a "flat fee" of \$66,000 for "consultant services." The next day Consultant Company did so, but Employee A sent an electronic mail message stating that he needed the fee justified by hours spent by Consultant Company's employees. On December 31, 2001, Consultant Company sent two invoices, on the letterhead of an affiliated company, seeking reimbursement of \$22,000 and \$44,000 for two trips by

Indonesian officials and stating that specific employees had spent a certain number of hours at a certain billing rate on these trips, even though one of these trips would not occur for several more weeks.

9. On February 1, 2002, Employee A authorized the payment of Consultant Company's invoices. Upon questioning by other employees of MONSANTO COMPANY, he justified the invoices by stating that Consultant Company had provided additional consulting services related to the Indonesian official's trips that were "outside the retainer." In addition, he obtained from Consultant Company, a third set of invoices, again for \$22,000 and \$44,000, attached to which were detailed breakdowns of the work purportedly performed by Consultant Company's employees. Based upon these invoices, other MONSANTO COMPANY employees approved the payment of the invoices.
10. On February 5, 2002, an employee of Consultant Company withdrew \$50,000 from its affiliate's bank account. The following day, the employee delivered the \$50,000 to Official, explaining that MONSANTO COMPANY wanted to do something for him in exchange for repealing the AMDAL requirement. The Official promised that he would do so at an appropriate time.
11. In March 2002, MONSANTO COMPANY, through its Indonesian subsidiary, paid the invoices thus reimbursing Consultant Company for the \$50,000 bribe, as well as the tax it owed on that income.
12. Official A never authorized repealing the AMDAL requirement, and MONSANTO COMPANY did not receive any benefit related to the payment authorized by Employee A

### **False Books and Records**

13. As noted, MONSANTO COMPANY reimbursed Consultant Company for the \$50,000 bribe, plus taxes, by paying invoices that falsely characterized the payment as being for “consulting services.”
14. This payment was paid out of the bank accounts of P.T. Monagro Kimia, MONSANTO COMPANY’s Indonesian subsidiary. It was, however, allocated to the Government Affairs cost center in the parent company and the false entry for “consulting services” was, therefore, included in MONSANTO COMPANY’s books and records.

## APPENDIX B

### REMEDIAL COMPLIANCE PROGRAM

Monsanto Company represents that it has already implemented and consents and agrees that it hereafter will maintain a compliance and ethics program designed to detect and prevent violations of the Foreign Corrupt Practices Act and of other applicable foreign bribery laws.

Monsanto's program shall include, *at a minimum*, the following components:

1. A clearly articulated corporate policy against violations of the Foreign Corrupt Practices Act and other applicable anti-bribery laws and the establishment of compliance standards and procedures to be followed by its officers, directors, employees, agents, consultants, joint ventures, and by contractors and sub-contractors with responsibilities that include interactions with foreign officials, that are reasonably capable of reducing the prospect of violative conduct;
2. The assignment to one or more senior Monsanto corporate officials of responsibility for oversight of compliance with policies, standards, and procedures established pursuant to the Deferred Prosecution Agreement between the Fraud Section and Monsanto, dated December \_\_, 2004. Such officials shall have the authority and responsibility to implement and utilize monitoring and auditing systems reasonably designed to detect criminal conduct by the company's employees and other agents, including, where appropriate, the retention of outside counsel and independent auditors to conduct investigations and audits. In addition, such officials shall be charged with making any

necessary modifications to the compliance program to respond to detected violations and to prevent further similar violations;

3. The establishment and maintenance of a committee to supervise the review of (I) the retention of any agent, consultant, or other representative for purposes of business development or lobbying in a foreign jurisdiction, (ii) the retention of any contractor or sub-contractor for a project in which a foreign government or public international organization, or instrumentalities thereof, is the ultimate customer or beneficiary, and (iii) all contracts related thereto. The committee also will supervise the review of the suitability of all prospective joint venture partners for purposes of compliance with the Foreign Corrupt Practices Act, as well as the adequacy of the due diligence performed in connection with the selection of the joint venture partner, any subsequent due diligence relating to the continued suitability of such joint venture partner, and any due diligence in connection with approvals of the retention of sub-agents, sub-contractors, and consultants by the joint venture for purpose of business development in a jurisdiction other than the United States. The majority of the committee shall be comprised of persons who are not subordinate to the most senior officer of the department or unit responsible for the relevant transaction;
4. Clearly articulated corporate procedures to ensure that Monsanto exercises due care to assure that substantial discretionary authority is not delegated to individuals whom the defendant knows, or should know through the exercise of due diligence, have a propensity to engage in illegal activities;

5. Clearly articulated corporate procedures to assure that all necessary and prudent precautions are taken to ensure that Monsanto has formed business relationships with reputable and qualified agents, consultants and other representatives for purposes of business development and lobbying in foreign jurisdictions and with reputable and qualified contractors and sub-contractors for projects for foreign governments or public international organizations, or instrumentalities thereof, are the ultimate customers or beneficiaries. Such policy shall require that evidence of such a “due diligence” inquiry be maintained in Monsanto’s files;
6. The effective communication to all officers, employees, agents, consultants, and other representatives, and to contractors and sub-contractors with responsibilities that include interactions with foreign officials, of corporate policies, standards, and procedures regarding the Foreign Corrupt Practices Act by requiring regular training concerning the requirements of the Foreign Corrupt Practices Act and of other applicable foreign bribery laws on a periodic basis to its officers and employees involved in foreign projects. With respect to the training of agents, consultants, or other representatives retained in connection with foreign business, as well as contractors and sub-contractors for projects for foreign governments or public international organizations, or instrumentalities thereof, are the ultimate customers or beneficiaries, such training shall be given as soon as practicable following their retention and periodically thereafter;
7. The implementation of appropriate disciplinary mechanisms, including as appropriate, discipline of individuals responsible for the failure to detect a violation of the law or of compliance policies, standards, and procedures;



8. The establishment of a reporting system by which officers, employees, agents, consultants, and other representatives, as well as contractors and sub-contractors, may report suspected criminal conduct without fear of retribution or going through the chain of command or reporting the same to the employee's, agent's, representative's, or contractor's or sub-contractor's immediate managers;
9. The inclusion in all contracts and contract renewals entered into subsequent to the date of this Consent Decree with agents, consultants, and other representatives for purposes of business development in a foreign jurisdiction of a representation, and contractors and sub-contractors for projects for foreign governments or public international organizations, or instrumentalities thereof, are the ultimate customers or beneficiaries, and undertaking by each prospective agent, consultant, representative, contractor and sub-contractor that no payments of money or anything of value will be offered, promised or paid, directly or indirectly, to any foreign officials, foreign political parties, party officials, or candidates for foreign public or political party office to influence the acts of such officials, political parties, party officials, or candidates in their official capacity, to induce them to use their influence with a foreign government or an instrumentality thereof, or to obtain an improper advantage in connection with any business venture or contract in which Monsanto is a participant. In addition, all such contracts shall contain an agreement by each prospective agent, consultant, and representative for business development in a foreign jurisdiction, and by contractors and sub-contractors for projects for foreign governments or public international organizations, or instrumentalities thereof, are the ultimate customers or beneficiaries, providing Monsanto with audit rights and an

undertaking that it shall not retain any sub-agent, sub-contractor, or representative without the prior written consent of a senior officer of Monsanto. All such contracts shall further provide for termination of said contract as a result of any breach of such undertakings, representations, and agreements;

10. The inclusion in all joint venture agreements entered into or modified hereafter a representation and undertaking by each joint venture partner, with periodic certifications made to Monsanto, that no payments of money or anything of value will be or has been offered, promised or paid, directly or indirectly, to any foreign officials, foreign political parties, party officials, or candidates for foreign public or political party office to influence the acts of such officials, political parties, party officials, or candidates in their official capacity, to induce them to use their influence with a foreign government or an instrumentality thereof, or to obtain an improper advantage in connection with any business venture or contract in which Monsanto is a participant. In addition, all such agreements shall contain an agreement by each prospective joint venture partner providing Monsanto with audit rights and an undertaking that it shall not retain any sub-agent, sub-contractor, or representative without the prior written consent, after the exercise of due diligence, of a senior officer of Monsanto. All such contracts shall further provide for termination of said contract as a result of any breach of such undertakings, representations, and agreements;
11. Monsanto will conduct periodic reviews, not less than once every five years, of its corporate policies and compliance programs regarding the Foreign Corrupt Practices Act and the anti-bribery provisions of each foreign jurisdiction to which the defendant, its

officers, employees, agents, contractors, sub-contractors, affiliates, and subsidiaries may be subject. Such periodic reviews will be conducted by independent legal and auditing firms retained for such purpose by the Board of Directors of Monsanto or its successors.

12. Monsanto will, using objective measures, determine the regions or countries in which it operates that pose higher risks of corruption. It will, on a periodic basis, conduct rigorous FCPA audits of its operations in such regions or countries, which audits shall include:
  - a. detailed audits of the operating unit's books and records, with specific attention to payments and commissions to agents, consultants, contractors, and sub-contractors with responsibilities that include interactions with foreign officials and contributions to joint ventures;
  - b. audits of selected agents, consultants, contractors, sub-contractors, and joint ventures, where authorized by the governing contract or retention agreement;
  - c. interviews with relevant employees, consultant, agents, contractors, sub-contractors, and joint venture partners.