



Compliance with U.S. Foreign Corrupt Practices Act and Other Anti-Corruption Laws

POLICY

Monsanto will conduct its business in compliance with applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act (“FCPA”) and similar anti-bribery laws of other countries, including laws implementing the Organization for Economic Cooperation and Development (OECD) and Organization of American States (OAS) conventions. All persons subject to this policy, as noted below, are strictly prohibited from offering, paying, promising or authorizing any bribe, kickback or other thing of value to any “Foreign Official”¹ directly or indirectly through a third party, to secure any contract, concession or other favorable treatment for Monsanto. In addition, all such persons are required to adhere to Monsanto’s policies and procedures designed to ensure compliance with these laws. Finally, Monsanto shall comply with the accounting and recordkeeping provisions of the FCPA. Monsanto relies on invoices and other documents received from or produced by Monsanto’s business partners to create and maintain accurate books and records.

SCOPE

This policy applies to all actions performed by business partners on behalf of Monsanto and to all Monsanto officers, directors, and full time and part time employees. Additionally, this policy will apply to all affiliates and joint ventures controlled by Monsanto.

All business partners representing Monsanto (including consultants, agents, sales representatives, distributors, and independent contractors), who may interact with “foreign officials” on behalf of “Company” shall follow all applicable portions of this policy.

¹ “Foreign Official” includes all employees of a non-U.S. government department or agency, whether in the executive, legislative or judicial branches of government and whether at the national, state or local level (or their equivalents). The term covers part-time workers, unpaid workers, any person “acting in an official capacity,” and members of a royal family. Also included under the term “Official” are political parties, party officials, and candidates for political office. Moreover, Officials include employees of public international organizations such as the United Nations (“U.N.”), Food and Agriculture Organization of the U.N. (“FAO”), the International Cotton Advisory Committee (“ICAC”) and the International Food Policy Research Institute. Finally, the term “Non-U.S. Government Official” covers officers and employees of public academic institutions and companies under government ownership or control, even if the companies are operated like privately owned corporations. In many instances, these persons are not treated as Officials by their own governments, and they will expect to be treated like any other private business person. For purposes of the FCPA, however, it is legally irrelevant whether a person is considered an Official by the government at issue. The U.S. law definition controls.

DISCUSSION

The FCPA makes it illegal to pay -- or even to offer or promise to pay -- “foreign officials” to get or keep business. Any payment to a Foreign Official directly or indirectly through a business partner, including extravagant entertainment or gifts, for the purpose of obtaining or retaining business or improperly influencing some matter in favor of Monsanto may be considered to be a bribe and may result in violation of law.

The FCPA establishes liability for payments made indirectly to a Foreign Official as well as payments made directly. The Company and individual officers or employees may be liable for payments made by a business partner, such as a sales representative, consultant, agent, contractor, sub-contractor, joint venture partner, or others, if the Company makes a payment or transfers other value to that business partner when the Company knows or has reason to know that the payment will be used in whole or in part to make an improper payment to a “foreign official.” (This is true even if the business partner is not itself subject to the FCPA.) Liability can arise if the Company is aware of facts that suggest a “high probability” that the business partner will pass through all or part of the value received from the Company to a Foreign Official for a corrupt purpose. Accordingly, Monsanto must approach relationships with business partners with caution and satisfy itself that business partners will comply with all applicable anti-corruption laws.

As noted, in certain circumstances gifts and entertainment, and other expenses incurred on behalf of Foreign Officials can give rise to violations of the FCPA and other global anti-corruption laws. Accordingly, all Monsanto directors, employees and representatives must comply with the Company’s policies on the provision of and reimbursement for gifts, meals, entertainment and travel (Corporate Controller’s Policy # 85001.00). Business partners are not authorized to give gifts or entertain Foreign Officials on Monsanto’s behalf unless authorized to do so in writing.

Business partners acting on the Company’s behalf may be asked to make facilitating or expediting payments to a Foreign Official to expedite or to secure the performance of routine governmental action by that official. Such payments may violate local law. Accordingly, Monsanto policy prohibits the offering or making of facilitating payments. Any request for such payment must be declined and reported immediately to your Regional Working Groups or for business partners, to your primary Monsanto business contact.

In some circumstances, a payment to a Foreign Official may qualify under the narrow exception to the FCPA for “health and safety” payments made pursuant to extortion or duress. The legislative history of the FCPA identifies extortion as a defense to violations of the FCPA; however, it is only available in an emergency, where the payment would alleviate an immediate danger to a person’s health or safety or to immediate destruction to property. The justification for the extortion defense is that in such an emergency, the individual making the payment would lack the corrupt intent to give a bribe. Payments made to “foreign officials” where a person’s physical health or safety is in jeopardy do not violate Monsanto’s Anti-Corruption Policy. However, the threat must be credible. All health and safety payments must be reported to the General Counsel, the Corporate Controller, the Regional Law Lead and the Regional Finance Lead within one (1) business day following the payment.

Directors, employees or business partners who make improper payments to Foreign Officials are subject to appropriate disciplinary action by the Company, as well as the legal consequences of violating applicable laws. Disciplinary action may be taken against an individual who:

- Knows that a violation of this Policy is contemplated by others and fails to report it to the Business Conduct Office or their Regional Working Group; or
- Knows that there has been a violation of this Policy by them or other employees and fails to report it to the Business Conduct Office or their Regional Working Group.

AUDIT

The Monsanto Internal Audit Department shall audit compliance with this Policy.