



MEMORANDUM

Confidential Treatment
Request by Chiquita Brands

TO: Distribution Attached

DATE: April 19, 1990

REVISED: February 16, 1994

FROM:

PHONE: Ext. #8379

SUBJ: Accounting for Sensitive Payments

We have established the following procedure for recording in the books and records cash or check payments which are sensitive in nature. The intent of this procedure is to provide for adequate books and records for such expenses along with the need of maintaining an appropriate level of confidentiality about the recipients of such payments. In the past, some locations have used an expense account code "Manager's Expenses" to record expenses of this type. These typically are the types of expenditures which would not fall into other account classifications such as Contributions, Donations, Consulting Services, Public Relations, etc. Use of such an account is permissible through the use of the following procedure.

1. Underlying details supporting Managers Fund expenses should be maintained by the General Manager to assure compliance with provisions of the Foreign Corrupt Practices Act: ". . . transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;". Once each quarter the General Manager's supervisor (typically a Region Manager) will review each transaction in detail and approve on an after-the-fact basis that:
 - The expenditure was properly authorized, documented and supported;
 - Documentation and support exists for each transaction recorded in the Managers Fund account for the quarter (a list of such transactions should be prepared by the local controller).
 - The expenditure was reported on the appropriate quarterly report of the Statement of Policies and Procedures if any payments were to government officials or entities or payments to any other persons or entities required to be sent to the Law Department.
2. The General Manager (or appropriate Region Manager) will accompany the underlying supporting detail to Cincinnati after the quarterly review and submit the detail to the General Counsel, for his review.

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