

EXHIBIT A

SETTLEMENT AGREEMENT

October 15, 2007

by and among

Solutia Inc.,

Monsanto Company,

and

SFC LLC

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Exhibits:

- Exhibit A - *Not Used*
- Exhibit B - Anniston Consent Decree
- Exhibit C - Anniston Settlement Agreement
- Exhibit D - Anniston Side Letter
- Exhibit E - Plan
- Exhibit F - Form of Services Agreement
- Exhibit G1 - Form of Solutia Deferred Payment Note
- Exhibit G2 - Form of Solutia Deferred NRD Note
- Exhibit H - *Not Used*
- Exhibit I - Environmental Committee Charter
- Exhibit J - Form of Solutia Subsidiary Guaranties
- Exhibit K - Krummrich Restricted Properties
- Exhibit L - *Not Used*
- Exhibit M - Form of Power of Attorney
- Exhibit N - Form of Pharmacia Indemnity Agreement
- Exhibit O1 - Form of SFC LLC Charter
- Exhibit O2 - Form of SFC LLC Operating Agreement
- Exhibit P - Form of Retiree Trust Agreement
- Exhibit Q1 - Anniston Plant
- Exhibit Q2 - Krummrich Plant
- Exhibit R - Form of Registration Rights Agreement
- Exhibit S - Distribution Agreement

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (this "Agreement") is made as of October 15, 2007 by and among Solutia Inc., a Delaware corporation ("Solutia") Monsanto Company ("Monsanto") and SFC LLC, a Delaware limited liability company directly and wholly owned by Solutia ("Funding Co").

RECITALS

WHEREAS, Solutia was created as a subsidiary of Pharmacia Corporation, formerly known as Monsanto Company ("Pharmacia"), to operate Pharmacia's chemicals business and was spun off to shareholders (the "Solutia Spinoff") effective as of September 1, 1997 (the "Solutia Spinoff Date").

WHEREAS, in connection with the Solutia Spinoff, Solutia and Pharmacia entered into the Distribution Agreement, setting forth the allocation of the liabilities between Solutia and Pharmacia relating to Pharmacia's historical chemicals business.

WHEREAS, Monsanto was created as a subsidiary of Pharmacia to operate Pharmacia's agricultural business and was spun off to shareholders (the "Monsanto Spinoff") on September 1, 2000 (the "Monsanto Spinoff Date").

WHEREAS, in connection with the Monsanto Spinoff, Monsanto agreed to indemnify Pharmacia in the event and to the extent that Solutia failed to perform or discharge certain of its liabilities under the Distribution Agreement.

WHEREAS, on July 1, 2002, Pharmacia, Monsanto and Solutia entered into an amendment to the Distribution Agreement, whereby Solutia agreed to indemnify Monsanto for losses suffered by Monsanto as a result of Solutia's failure or inability to fulfill its obligations to Pharmacia under the Distribution Agreement.

WHEREAS, on December 17, 2003 (the "Petition Date"), Solutia commenced a case ("Solutia Chapter 11 Case") with the Bankruptcy Court under chapter 11 of the Bankruptcy Code.

WHEREAS, on February 14, 2006, Solutia originally filed a plan of reorganization with the Bankruptcy Court.

WHEREAS, on May 16, 2007, Solutia filed its First Amended Joint Plan of Reorganization with the Bankruptcy Court.

WHEREAS, on July 9, 2007, Solutia filed its Second Amended Joint Plan of Reorganization with the Bankruptcy Court.

WHEREAS, on July 25, 2007, submitted its Third Amended Joint Plan of Reorganization to the Bankruptcy Court.

WHEREAS, on August 10, 2007, Solutia submitted its Fourth Amended Joint Plan of Reorganization to the Bankruptcy Court.

WHEREAS, on October 15, 2007, Solutia submitted its Fifth Amended Joint Plan of Reorganization to the Bankruptcy Court.

WHEREAS, Monsanto has paid in excess of \$50 million in Environmental Liability Costs with respect to the Shared Sites (as defined herein) since the Petition Date (such \$50 million amount, the "Monsanto Payment").

WHEREAS, this Agreement, the Plan and the Retiree Settlement Agreement constitute a single integrated settlement agreement, and together set forth the terms of a settlement (the "Settlement") between and among Solutia, Monsanto, Pharmacia, the Retirees' Committee, the Creditors' Committee and the Ad Hoc Trade Committee.

WHEREAS, in connection with the Settlement, Monsanto will receive, as set forth in the Plan, up to one hundred seventy five million dollars (\$175 million) in cash and/or up to seventeen percent (17%) of Solutia's New Common Stock in exchange for, among other things, Monsanto's agreement to be financially responsible for (i) the Legacy Tort Claims (as defined herein), (ii) all Environmental Liabilities related to the Legacy Sites (as defined herein), and (iii) Monsanto's share of the Shared Payments (as defined herein).

WHEREAS, in accordance with the Plan and the terms of this Agreement, the Distribution Agreement constitutes a prepetition, non-executory contract and, subject to the Parties' obligations under the Plan, this Agreement and the Plan Documents, is superseded and, on the Effective Date, of no further force and effect.

WHEREAS, this Agreement, the Plan and the Plan Documents supersede the Distribution Agreement and the Settlement Agreement dated August 10, 2007 and set out the relationship among the parties hereto.

WHEREAS, on the Effective Date, Solutia and Monsanto will enter into a registration rights agreement (the "Registration Rights Agreement") substantially in the form annexed hereto as Exhibit R.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 General. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"AAA" has the meaning set forth in Section 9.03.

"Action" means any demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority, court or any arbitration or mediation tribunal.

"Ad Hoc Trade Committee" has the meaning assigned to it in the Plan.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise; provided, that in no event shall Monsanto, Pharmacia or Solutia be considered Affiliates of one another.

"Agreement" has the meaning set forth in the preamble.

"Agricultural Liabilities" means all liabilities retained by Pharmacia in the Solutia Spinoff that (i) were transferred to (or assumed by) Monsanto in the Monsanto Spinoff and (ii) are defined as "Monsanto Liabilities," as such term is defined and set forth in the Distribution Agreement (as in effect immediately prior to the Effective Date), including any and all liabilities related to a product consisting of a mix of herbicides 2,4 dichlorophenoxyacetic acid and 2,4,5 trichlorophenoxyacetic acid.

"Anniston Consent Decree" means the Revised Partial Consent Decree, dated August 4, 2003, entered by the U.S. District Court for the Northern District of Alabama in Civil Action No. 1:02-CV-0749-UWC, a copy of which is attached hereto as Exhibit B, and any subsequent modifications to that Decree entered by the Court.

"Anniston Restricted Properties" means all properties situated in Calhoun County, Alabama and owned by Solutia as of the date hereof.

"Anniston Settlement Agreement" means the agreement among Solutia, Monsanto and Pharmacia, dated September 9, 2003, a copy of which is attached hereto as Exhibit C.

"Anniston Side Letter" means the letter from Pfizer, Inc., the parent company of Pharmacia, to Solutia, dated August 20, 2003, a copy of which is attached hereto as Exhibit D.

"Approval Notice" has the meaning set forth in Section 3.04(d)(v).

"Approved ELC Amount" has the meaning set forth in Section 3.04(d)(v).

"Approved Unallocated Amount" has the meaning set forth in Section 4.01(a).

"Arbitration Act" means the United States Arbitration Act, 9 U.S.C. 1-14, as amended.

"Bankruptcy Code" means title 11 of the United States Code as applicable to the Solutia Chapter 11 Case.

"Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York, having jurisdiction over the Solutia Chapter 11 Case and, to the extent of the

withdrawal of any reference under section 157 of title 28 of the United States Code, the United States District Court for the Southern District of New York.

"Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as applicable to the Solutia Chapter 11 Case.

"Board" means the Board of Directors of Solutia.

"Budget" has the meaning set forth in Section 3.04(b).

"Business Day" means any day other than a Saturday, Sunday or a legal holiday on which the commercial banks are closed in St. Louis, MO.

"CEO" has the meaning set forth in Section 9.03.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

"Charter" has the meaning set forth in Section 3.04(b).

"Chemicals Liabilities" has the meaning set forth in the Distribution Agreement.

"Commercial and Operating Agreements" has the meaning assigned to it in the Plan.

"Confidential Information" of any party (a "Confidential Party") means any and all information and data (whether written or oral and whatever the form or storage medium) (a) that a Confidential Party or its Representatives furnishes to another party or such other party's Representatives pursuant to this Agreement; and/or (b) concerning the business or affairs of such Confidential Party or any of its Affiliates (i) that is nonpublic information, (ii) which is proprietary to such Confidential Party or any of its Affiliates, (iii) the disclosure of which could reasonably be expected to cause the Confidential Party or any of its Affiliates or customers injury or loss of reputation or goodwill, (iv) that gives, or may give, such Confidential Party or its Affiliates an advantage over its competitors or (v) is marked by the Confidential Party prior to its disclosure as "confidential". Because of the sensitive nature of this information, the intent of the parties is that the term "Confidential Information" shall be interpreted as broadly as possible and shall include any and all data, reports, analyses, compilations, studies, projections, forecasts, records, technology, methods of doing business, inventions, know-how, designs, supplier and customer information and all other financial, technical, commercial or other information concerning the business and affairs of such Confidential Party, in each case regardless of whether such information or item is marked as "confidential". Notwithstanding the foregoing, Confidential Information shall not include information which (x) is or becomes generally available to the public other than as a result of a disclosure by any other party or its Representatives in breach of Section 7.04 hereof, (y) was or becomes available to any other party on a non-confidential basis from a source other than such Confidential Party or its Representatives; provided that, to such other party's actual knowledge, such source is not prohibited from disclosing such information to such other party by a contractual, legal or fiduciary obligation to such Confidential Party or its Affiliates, or (z) is independently developed by any other party without violating such other party's obligations under this Agreement.

"Cost Recovery Cases" has the meaning set forth in Section 3.05(a).

"Covered Site" means any Retained Site, Legacy Site or Shared Site.

"Creditors' Committee" has the meaning assigned to it in the Plan.

"Debtors" has the meaning assigned to it in the Plan.

"Deferral Notice" has the meaning set forth in Section 3.04(e).

"Deferred NRD Payment Obligations" has the meaning set forth in Section 3.04(e).

"Deferred Payment Obligations" has the meaning set forth in Section 3.04(e).

"Deposit Account" has the meaning set forth in Section 2.02.

"Dispute Notice" has the meaning set forth in Section 9.03.

"Disputed ELC Amount" has the meaning set forth in Section 3.04(d)(v).

"Disputed Unallocated Amount" has the meaning set forth in Section 4.01(a).

"Distribution Agreement" means that certain Distribution Agreement, dated as of September 1, 1997, between Pharmacia and Solutia, as amended through the date hereof, including by the Amendment dated as of July 1, 2002 by and among Pharmacia, Monsanto and Solutia, a copy of which is annexed hereto as Exhibit S.

"Effective Date" has the meaning assigned to it in the Plan.

"ELC Objection Notice" has the meaning set forth in Section 3.04(d)(v).

"Environmental Account" has the meaning set forth in Section 2.02.

"Environmental Committee" has the meaning set forth in Section 3.04(b).

"Environmental Laws" means all applicable federal, state, local and foreign statutes, regulations and similar requirements of Governmental Authorities having the force and effect of law, all judicial and administrative orders and determinations, and all common law concerning public health or safety, workplace health and safety, or pollution or protection of the environment, including all those pertaining to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation.

"Environmental Liability" means any liability (contingent or otherwise, arising under statute or common law, at law or in equity, and including liability for response costs or natural resource damages, fines or penalties) or any investigatory, corrective or remedial obligation arising under Environmental Law, whether or not discharged by the Solutia Chapter 11 Case,

