

CLERK'S OFFICE U.S. DIST. COURT  
AT DANVILLE, VA  
FILED

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF VIRGINIA  
DANVILLE DIVISION

AUG 06 2010

JULIA C. DUDLEY, CLERK  
BY:  DEPUTY CLERK

UNITED STATES OF AMERICA )  
 )  
 v. )  
 )  
 ALLIANCE ONE )  
 INTERNATIONAL AG, )  
 )  
 Defendant )  
 \_\_\_\_\_ )

Criminal No. 4:10CR00017

PLEA AGREEMENT

The United States of America, by and through John A. Michelich, Senior Trial Attorney, United States Department of Justice, Criminal Division, Fraud Section (the "Department" or the "Fraud Section"), the defendant, ALLIANCE ONE INTERNATIONAL AG ("AOIAG"), and the defendant's counsel, Edward J. Fuhr, Esq., Hunton & Williams LLP, pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, state that they have entered into an agreement, the terms and conditions of which are as follows:

**The Defendant's Agreement**

1. Defendant AOIAG agrees to waive indictment and plead guilty to a three-count criminal information filed in the Western District of Virginia charging AOIAG with conspiracy to violate the Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended, 15 U.S.C. §§ 78dd-1, *et. seq.*, in violation of 18 U.S.C. § 371 (Count One); a substantive violation of the anti-bribery provisions of the FCPA, 15 U.S.C. § 78dd-3(a) (Count Two); and aiding and abetting the falsification of books and records in violation of 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5) and 78ff(a), and 18 U.S.C. § 2 (Count Three). The defendant

further agrees to persist in that plea through sentencing and, as set forth below, to fully cooperate with the United States.

2. This plea agreement is between the Department and the defendant AOIAG, and does not bind any other division or section of the Department of Justice or any other federal, state, or local prosecuting, administrative, or regulatory authority. This agreement does not apply to any charges other than those specifically mentioned herein. However, the Department will bring this Agreement and the cooperation of AOIAG, its direct or indirect affiliates, subsidiaries, and parent corporation, to the attention of other prosecuting authorities or other agencies, if requested.

3. Defendant agrees that this Agreement will be executed by an authorized corporate representative. Defendant further agrees that a Resolution duly adopted by the Board of Directors of Alliance One International, Inc. ("AOI"), the parent corporation, on behalf of its subsidiary AOIAG, in the form attached to this Agreement as Exhibit 3, or in a substantially similar form, represents that the signature on this Agreement by AOIAG and its counsel are authorized by the Board of Directors of AOI on behalf of its subsidiary AOIAG.

4. Defendant AOIAG agrees that it has the full legal right, power and authority to enter into and perform all of its obligations under this Agreement and defendant agrees to abide by all terms and obligations of this Agreement as described herein.

5. Defendant agrees that any fine or restitution imposed by the Court will be due and payable within ten (10) business days from the date of sentencing, and defendant will not attempt to avoid or delay payments. Defendant further agrees to pay the Clerk of the Court for the United States District Court for the Western District of Virginia the mandatory special assessment within ten (10) business days from the date of sentencing.

6. Defendant agrees that if the company or any of its direct or indirect affiliates, subsidiaries, or parent corporations issues a press release or holds a press conference in connection with this Agreement, Defendant shall first consult the Department to determine whether the text of the release or proposed statements at any press conference are true and accurate with respect to matters between the Department and the defendant, and that the Department has no objection to the release. Statements at any press conference concerning this matter shall be consistent with this press release.

7. Defendant AOIAG agrees that in the event it sells, merges or transfers all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale(s) is/are structured as a stock or asset sale, merger, or transfer, AOIAG shall include in any contract for sale, merger or transfer, a provision fully binding the purchaser(s) or any successor(s) in interest thereto to the obligations described in this Agreement.

### **The United States' Agreement**

8. In exchange for the corporate guilty plea of AOIAG and the complete fulfillment of all of its obligations under this Agreement, the Department agrees not to file additional criminal charges against AOIAG for any of the corrupt payments described in the Statement of Facts attached as Exhibit 1. This Agreement will not foreclose or preclude the investigation or prosecution of any natural persons, including any officers, directors, employees, agents or consultants of AOIAG, or of any other AOI-related entity, including all of its direct or indirect affiliates, subsidiaries, or parent corporation, who may have been involved in any of the matters set forth in the Information, Statement of Facts or in any other matters.

### **Factual Basis**

9. Defendant AOIAG is pleading guilty because it is guilty of the charges contained in the Information. Defendant AOIAG agrees and stipulates that the factual allegations set forth in the Information are true and correct, that it is responsible for the acts of its officers and employees described in the Statement of Facts attached hereto and incorporated herein as Exhibit 1, and that the Statement of Facts accurately reflects its criminal conduct.

### **Defendant's Obligations**

10. Defendant AOIAG agrees:
  - a. To plead guilty as set forth in this Agreement;

- b. To abide by all sentencing stipulations contained in this Agreement;
- c. To: (i) appear, through its duly appointed representatives, as ordered for all court appearances; and (ii) obey any other ongoing court order in this matter;
- d. To commit no further state or federal offense;
- e. To be truthful at all times with the Court;
- f. To pay the applicable fine and special assessment;
- g. To create and implement a Corporate Compliance Program which, at a minimum, contains all of the obligations and provisions described in the Corporate Compliance Program attached as Exhibit 2 hereto and incorporated herein; and

11. The Defendant shall cooperate completely and truthfully with the Department, and with any other federal, state, local, or foreign law enforcement agency as directed by the Department. Defendant AOIAG shall completely and truthfully disclose to the Department all non-privileged information with respect to the activities of AOIAG and its affiliates, its present and former directors, officers, employees, agents, consultants, contractors, and subcontractors, concerning all matters relating to corrupt payments in connection with their operations, related false books and records, and inadequate internal controls about which AOIAG has any knowledge and about which the Department or any other law enforcement authorities shall inquire. This obligation of complete and truthful cooperation and full disclosure includes the obligation to produce, upon request, any non-privileged document, record, or other tangible evidence relating to such corrupt payments to foreign public officials or to employees of private customers as requested by the Department or other law enforcement agency.

### **Waiver of Constitutional Rights**

12. AOIAG knowingly, intelligently, and voluntarily waives its right to appeal the conviction in this case. AOIAG similarly knowingly, intelligently, and voluntarily waives the right to appeal the sentence imposed by the court, provided such sentence is consistent with the terms of this Agreement. AOIAG waives all defenses based on the statute of limitations and venue with respect to any prosecution that is not time-barred on the date that this Agreement is signed in the event that: (a) the conviction is later vacated for any reason; (b) AOIAG violates this Agreement; or (c) the plea is later withdrawn. The Department is free to take any position on appeal or any other post-judgment matter.

13. Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 limit the admissibility of statements made in the course of plea proceedings or plea discussions in both civil and criminal proceedings, if the guilty plea is later withdrawn. The defendant expressly warrants that it has discussed these rules with its counsel and understands them. Solely to the extent set forth below, the defendant voluntarily waives and gives up the rights enumerated in Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410. Specifically, the defendant understands and agrees that any statements that it makes in the course of its guilty plea or in connection with the Agreement are admissible against it for any purpose in any U.S. federal criminal proceeding if, even though the Department has fulfilled all of its obligations under this

Agreement and the Court has imposed the agreed-upon sentence, the defendant nevertheless withdraws its guilty plea.

### **Penalty Range**

14. The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 371 is a fine of \$500,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest, 18 U.S.C. §§ 3571(c)(3) and (d); five years' probation, 18 U.S.C. § 3561(c)(1); and a mandatory special assessment of \$400, 18 U.S.C. § 3013(a)(2)(B). The statutory maximum sentence that the Court can impose for a violation of Title 15, United States Code, Section 78dd-3(a) is a fine of \$2,000,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest, 15 U.S.C. § 78dd-3(e)(1)(A), 18 U.S.C. § 3571(d); five years' probation, 18 U.S.C. § 3561(c)(1); and a mandatory special assessment of \$400, 18 U.S.C. § 3013(a)(2)(B). The statutory maximum sentence that the Court can impose for a violation of Title 15, United States Code, Section 78m(b)(2)(A) is a fine not exceeding \$25,000,000, 15 U.S.C. § 78ff(a); five years' probation, 18 U.S.C. § 3561(c)(1); and a mandatory special assessment of \$400, 18 U.S.C. § 3013(a)(2)(B). The statutory maximum sentences for multiple counts can be aggregated and may run consecutively.

15. Calculation of Fine. The parties stipulate that the 2003 Guidelines Manual applies to this matter and to the factual predicates set forth below and that the following is the proper application of the sentencing guidelines to the offense alleged in the Information:

## a. Calculation of Offense Level :

Base Offense Level (U.S.S.G. § 2C1.1(a)):	10
More than one bribe (U.S.S.G. § 2C1.1(b)(1)):	+ 2
Benefit received or to be received of approximately \$7 million (U.S.S.G. §§ 2C1.1(b)(2)(A), 2B1.1(b)(1)(J)):	<u>+ 18</u>
<b>TOTAL OFFENSE LEVEL:</b>	<b>30</b>

## b. Calculation of Culpability Score:

Base Score (U.S.S.G. § 8C2.5(a)):	5
Involvement in or tolerance of criminal activity in an organization of 50 or more employees and an individual within substantial authority personnel participated in, condoned, or was willfully ignorant of the offense (U.S.S.G. § 8C2.5(b)(4)):	+ 2
Self-reporting, cooperation, acceptance of responsibility (U.S.S.G. § 8C2.5(g)(1)):	<u>- 5</u>
<b>TOTAL CULPABILITY SCORE:</b>	<b>2</b>

## c. Calculation of Fine Range:

Base Fine: Greater of the amount from table in U.S.S.G. § 8C2.4(a)(1) & (d) corresponding to offense level of 30 (\$10,500,000), or the pecuniary gain to the organization from the offense (\$7 million) (U.S.S.G. § 8C2.4(a)(2)):	<i>\$10,500,000</i>
Multipliers, culpability score of 2 (U.S.S.G. § 8C2.6):	0.40 - 0.80
Fine Range (U.S.S.G. § 8C2.7):	<b><i>\$4,200,000 – \$8,400,000</i></b>

d. The parties agree that the offenses of conviction should be grouped together for purposes of sentencing pursuant to U.S.S.G. § 3D1.2.

### **Sentencing Factors**

16. The parties agree that pursuant to United States v. Booker, 543 U.S. 220 (2005), the Court must determine an advisory sentencing guideline range pursuant to the United States Sentencing Guidelines. The Court will then determine a reasonable sentence within the statutory range after considering the advisory sentencing guideline range and the factors listed in 18 U.S.C. § 3553(a). The parties' agreement herein to any guidelines sentencing factors constitutes proof of those factors sufficient to satisfy the applicable burden of proof. The Department and the Defendant understand and agree that if the Court accepts this Agreement, the Court is bound by the sentencing provisions in paragraphs 17 - 21, and that if the Court does not accept these sentencing provisions, Defendant is entitled to withdraw its plea of guilty pursuant to Fed. R. Crim. P. 11(c)(1)(C), consistent with paragraph 25 below.

### **Sentencing Recommendation**

17. Fine. Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the Department and defendant AOIAG agree that the appropriate sentence in this case is a fine in the amount of \$5,250,000 payable to the Clerk of the Court for the United States District Court for the Western District of Virginia. The parties further agree that this amount shall be paid as a lump sum within ten (10) business days after imposition of sentence in this matter.

18. Organizational Probation. The parties agree that organizational probation is not necessary in this case in light of the engagement of an Independent Corporate Monitor as part of a Non-Prosecution Agreement between the Department and AOI (AOIAG's parent corporation), entered simultaneously herewith, for a three-year term, for the purpose of reviewing AOI's internal controls, policies and procedures and those of its affiliates and subsidiaries related to compliance with the FCPA and other applicable anti-corruption laws.

19. Community Service. The parties agree that community service need not be ordered in this case.

20. Forfeiture. The parties agree that forfeiture need not be ordered in this case.

21. Special Assessment. Defendant AOIAG further agrees to pay the Clerk of the Court for the United States District Court for the Western District of Virginia within ten (10) business days of the time of sentencing the mandatory special assessment of \$400 per count, for a total of \$1,200.

22. The parties' agreement as to the appropriate disposition of this case is based upon the following factors:

a. By entering and fulfilling the obligations under this Agreement, defendant AOIAG has demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct;

b. The plea underlying this Agreement is a result of the voluntary disclosure made by AOIAG and its parent corporation, AOI, to the Department beginning in May 2004, and the disclosure of evidence obtained as a result of the extensive investigation subsequently conducted by AOI into the operations of AOIAG, its parent, affiliates, and subsidiaries;

c. At the time of the initial disclosure, the conduct was unknown to the Department; and

d. By entering into a non-prosecution agreement with the Department, AOI, the defendant's parent corporation has, among other things, agreed to: (i) implement and continue to implement a compliance and ethics program designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws throughout its operations, including those of AOI and its subsidiaries (including defendant AOIAG), affiliates, and successors; and (ii) engage a monitor.

23. Waiver of Pre-Sentence Report. The parties further agree, with the permission of the Court, to waive the requirement for a pre-sentence report pursuant to Federal Rule of Criminal Procedure 32(c)(1)(A), based on a finding by the Court that the record contains information sufficient to enable the Court to meaningfully exercise its sentencing power. However, the parties agree that in the event the Court orders the preparation of a pre-sentence report prior to sentencing, such order will not affect the agreement set forth herein.

24. Consolidation of Guilty Plea and Sentencing. The parties further agree to ask the Court's permission to combine the entry of the plea and sentencing into one proceeding, and to conduct the plea and sentencing hearings of defendant AOIAG in one proceeding. However, the parties agree that in the event the Court orders that the entry of the guilty plea and sentencing hearing occur at separate proceedings, such an order will not affect the agreement set forth herein.

25. Court Not Bound. This agreement is presented to the Court pursuant to Fed. R. Crim. P. 11(c)(1)(C). Defendant AOIAG understands that, if the Court rejects this Agreement, the Court must: (a) inform the parties that the Court rejects the Agreement; (b) advise defendant's counsel that the Court is not required to follow the Agreement and afford defendant the opportunity to withdraw its plea; and (c) advise defendant that if the plea is not withdrawn, the Court may dispose of the case less favorably toward defendant than the Agreement contemplated. Defendant AOIAG further understands that if the Court refuses to accept any provision of this Agreement, neither party shall be bound by the provisions of the Agreement.

26. Full Disclosure/Reservation of Rights. In the event the Court directs the preparation of a pre-sentence report, the Department will fully inform the preparer of the pre-sentence report and the Court of the facts and law related to AOIAG's case. Except as set forth in this Agreement, the parties reserve all other rights to make sentencing recommendations and to respond to motions and arguments by the opposition.

### **Breach of Agreement**

27. If the Department determines, in its sole discretion, that AOIAG has committed any federal crimes subsequent to the date of this Agreement, has provided deliberately false, incomplete, or misleading information under this Agreement, or has otherwise breached the Agreement, the Department is relieved of its obligations under this Agreement but AOIAG may not withdraw any guilty plea.

28. In the event of a breach of this Agreement by AOIAG, if the Department elects to pursue criminal charges, or any civil or administrative action that was not filed as a result of this Agreement, then:

a. The Department will be free to use against AOIAG directly and indirectly, in any criminal or civil proceeding, any of the information or materials provided by AOIAG pursuant to this Agreement, as well as the admitted Statement of Facts attached hereto as Exhibit I.

b. AOIAG agrees that any applicable statute of limitations is tolled between the date of AOIAG's signing of this Agreement and the discovery by the Department of any breach by the defendant; and

c. AOIAG gives up all defenses based on the statute of limitations, any claim of pre-indictment delay, or any speedy trial claim with respect to any such prosecution or action, except to the extent that such defenses existed as of the date of the signing of this Agreement.

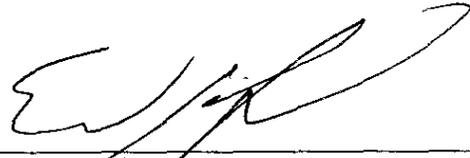
d. In the event that the Department determines that AOIAG has breached this Agreement, prior to instituting any prosecution resulting from such breach, the Department agrees to provide AOIAG with written notice of such breach, to which AOIAG shall, within thirty (30) days, have the opportunity to respond to the Department in writing to explain the nature and circumstances of such alleged breach, as well as the actions AOIAG has taken to address and remedy the situation, which explanation the Department shall consider in determining whether to institute any prosecution.

#### **Complete Agreement**

29. This document states the full extent of the agreement between the parties. There are no other promises or agreements, express or implied. Any modification of this Plea Agreement shall be valid only if set forth in writing in a supplemental or revised plea agreement signed by all parties.

**AGREED:**

**FOR DEFENDANT AOIAG:**



EDWARD J. FUHR, ESQ.  
HUNTON & WILLIAMS, LLP  
Counsel for Defendant ALLIANCE ONE  
INTERNATIONAL AG, and Alliance  
One International, Inc.

**FOR ALLIANCE ONE INTERNATIONAL, INC.:**



HENRY C. BABB  
Senior Vice-President,  
Chief Legal Officer and Secretary,  
Alliance One International, Inc.

**FOR THE UNITED STATES DEPARTMENT OF JUSTICE:**

DENIS J. McINERNEY, CHIEF  
Fraud Section, Criminal Division  
United States Department of Justice

By:



JOHN A. MICHELICH  
Senior Trial Attorney, Fraud Section  
United States Department of Justice  
Fraud Section, Criminal Division  
10<sup>th</sup> & Constitution Avenue, NW  
Washington, D.C. 20530  
(202) 514-7023

Filed at Danville, Virginia on this <sup>7<sup>th</sup></sup> 6 day of ~~July~~, 2010.

*August*

## **EXHIBIT 1**

### **STATEMENT OF FACTS**

The following Statement of Facts is incorporated by this reference as part of the Plea Agreement (“Agreement”) between the United States Department of Justice (the “Department”) and ALLIANCE ONE INTERNATIONAL AG<sup>1</sup> (“AOIAG”), and the parties hereby agree and stipulate that the following information is true and accurate. As set forth in Paragraph 9 of the Agreement, AOIAG accepts and acknowledges that it is responsible for the acts of its officers and employees and its predecessor corporations DIAG and Standard Brazil as set forth below. If this matter were to proceed to trial, the United States would prove beyond a reasonable doubt, by admissible evidence, the facts alleged in the Information. This evidence would establish the following:

#### **DIMON, Incorporated**

1. Prior to 2005, DIMON Incorporated (“Dimon”), was a leaf tobacco merchant which maintained its principal place of business in Danville, Virginia. Dimon purchased and processed tobacco grown throughout the world and sold it to manufacturers of tobacco products. Dimon issued and maintained a class of publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78l) and was required to file periodic reports with the United States Securities and Exchange Commission under Section 13 of the Securities Exchange Act

---

<sup>1</sup> The German term Aktiengesellschaft (abbreviated AG) means a corporation that is limited by shares, i.e., owned by shareholders. It may be traded on the stock market. The term is used in Germany, Austria and Switzerland.

(15 U.S.C. § 78m). Accordingly, Dimon was an “issuer” within the meaning of the FCPA, 15 U.S.C. § 78dd-1(a) and, as such, was required to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflected the transactions and disposition of assets of Dimon. Dimon also had an obligation to ensure that its wholly owned subsidiaries, including Dimon International AG, maintained accurate books and records.

2. Prior to 2005, Dimon maintained a wholly owned subsidiary, Dimon International AG (“DIAG”), which was organized under the laws of Switzerland and conducted business in the United Kingdom, Brazil, Thailand, the Western District of Virginia, and elsewhere. During the relevant period, DIAG provided financial, accounting and management services to other Dimon subsidiaries that purchased tobacco grown in Brazil, and sold it to Dimon’s customers including the Thailand Tobacco Monopoly. DIAG maintained its principal place of business in Camberley, Surrey, United Kingdom, and made regular reports of its business operations and financial accounts to officers of Dimon located at its headquarters in Danville, Virginia. DIAG regularly sought approval for management decisions from Dimon management and worked with and communicated with individuals acting as DIAG’s agents in Danville, Virginia, and Farmville, North Carolina, who undertook certain acts within the territory of the United States such that DIAG was a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1).

Standard Commercial Corporation

3. Prior to 2005, Standard Commercial Corporation (“Standard”) operated as a leaf tobacco merchant and maintained its principal place of business in Wilson, North Carolina. Standard purchased and processed tobacco grown throughout the world and sold it to manufacturers of tobacco products. Standard issued and maintained a class of publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78l) and was required to file periodic reports with the United States Securities and Exchange Commission under Section 13 of the Securities Exchange Act (15 U.S.C. § 78m). Accordingly, Standard was an “issuer” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a) and, as such, was required to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflected the transactions and disposition of assets of Standard. Standard also had an obligation to ensure that its wholly owned subsidiaries, including Standard Brazil Ltd., maintained accurate books and records.

4. Prior to 2005, Standard maintained a wholly owned subsidiary, Standard Brazil Ltd. (“Standard Brazil”), which was organized under the laws of the Isle of Jersey, Channel Islands, and conducted business in Brazil, Thailand, and elsewhere. During the relevant period, Standard Brazil provided financial, accounting and management services to other Standard subsidiaries that purchased tobacco grown in Brazil, and sold it to Standard’s customers including the Thailand Tobacco Monopoly. Standard Brazil

regularly sought approval for management decisions from Standard management and worked with and communicated with individuals at Standard acting as Standard Brazil's agents in the United States, who undertook certain acts within the territory of the United States such that Standard Brazil was a "person" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1).

#### The Thailand Tobacco Monopoly

5. In or around 1943, the Government of Thailand established the Thailand Tobacco Monopoly ("TTM"), an agency and instrumentality of the government, to manage and control the government-owned tobacco industry in Thailand. The TTM supervised the cultivation of domestic tobacco crops, purchased imported tobacco and manufactured cigarettes and other tobacco products in Thailand.

6. The TTM was headed by a Managing Director ("Thai Official A"), appointed by the Finance Ministry, who reported through a Board of Directors directly to the Minister of Finance of Thailand and, as such, was a "foreign official" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A).

#### Dimon and Standard Tobacco Sales to the TTM

7. During the relevant period, Dimon purchased tobacco from growers in Brazil and sold the Brazilian tobacco to the TTM through its Swiss subsidiary DIAG. Standard sold Brazilian tobacco to the TTM through its Channel Islands subsidiary, Standard Brazil.

8. During the relevant period, Dimon retained a sales agent in Thailand, "Dimon Agent 1," to facilitate its sale of tobacco to the TTM. DIAG paid sales commissions to Dimon Agent 1 in varying amounts as a percentage of its tobacco sales to the TTM.

9. During the relevant period, Standard Brazil retained two sales agents in Thailand, "Standard Agent 1" and "Standard Agent 2," to facilitate its sale of tobacco to the TTM. Standard Brazil paid sales commissions to Standard Agent 1 and Standard Agent 2 in varying amounts as a percentage of its tobacco sales to the TTM.

Corrupt Payments to Thai Officials

10. Beginning in or around 2000 and continuing through at least in or around 2004, Dimon and Standard, through their agents, subsidiaries and affiliates, collaborated together and with a competing tobacco merchant, "Company A," to apportion tobacco sales to the TTM among themselves and to coordinate their sales prices in order to ensure that each company would share in the Thai tobacco market.

11. Beginning in or around 2000 and continuing through at least in or around 2004, Dimon, Standard and Company A agreed among themselves to pay bribes to officials of the TTM in exchange for their purchase of tobacco. The three companies agreed to pay "special expenses," calculated at an agreed rate per kilogram of tobacco sold to the TTM, that were paid as kickbacks to Thai Official A and other TTM officials

to induce the TTM to purchase tobacco and to secure an improper advantage for Dimon, Standard and Company A.

12. From in or around 2000 through in or around 2004, Dimon's Senior Vice President of Sales ("Dimon Employee A"), directed the sales of Brazilian tobacco to the TTM and authorized Dimon Agent 1 to pay bribes to the TTM. Dimon Employee A was based in Dimon's office in Farmville, North Carolina, and his duties included, among other things, managing the sale of tobacco to several countries in Southeast Asia.

13. From in or around 2000 through in or around 2004, Dimon realized net profits of approximately \$4.3 million from the sale of Brazilian tobacco to the TTM. During the same period, Dimon paid "special expenses" totaling approximately \$542,950 as kickbacks to Thai Official A and other TTM officials from its subsidiary DIAG through Dimon Agent 1.

14. From in or around 2000 through in or around 2004, Standard realized net profits of approximately \$2.7 million from the sale of Brazilian tobacco to the TTM. During the same period, Standard paid "special expenses" totaling approximately \$696,160 as kickbacks to Thai Official A and other TTM officials from its subsidiary Standard Brazil.

15. DIAG, Standard Brazil, Dimon Employee A, Dimon and Standard knew and intended that the corrupt "special expenses" paid to Thai Official A and other TTM officials, who were foreign officials as defined in the FCPA, would secure an improper

advantage for Dimon and Standard by influencing the TTM's decision to purchase Brazilian tobacco from Dimon and Standard.

16. DIAG, Standard Brazil, Dimon Employee A, Dimon and Standard failed to account properly for the corrupt "special expenses" paid as kickbacks to Thai Official A and other TTM officials, and falsely described those transactions in their books and records. DIAG and Dimon improperly characterized the corrupt payments made as legitimate payments of "commissions."

#### The Merger of Dimon and Standard

17. In or around 2005, Dimon and Standard merged to form Alliance One International, Inc. ("AOI"), which also was engaged in business as a leaf tobacco merchant worldwide. AOI was a publicly traded Virginia corporation which maintained its principal place of business in Morrisville, North Carolina. AOI purchased and processed tobacco grown in more than 45 countries and sold tobacco to manufacturers of consumer tobacco products in more than 90 countries around the world.

#### Alliance One International AG

18. After the merger of Dimon and Standard in or around 2005, AOI consolidated the assets, liabilities, and business affairs of Standard Brazil with DIAG and renamed the subsidiary corporation ALLIANCE ONE INTERNATIONAL AG ("AOIAG"), defendant herein. As the successor corporation, defendant AOIAG is legally accountable for the criminal acts of both DIAG and Standard Brazil. Defendant AOIAG

continued to operate in the U.K. and elsewhere as a wholly owned subsidiary of AOI, organized under the laws of Switzerland. Accordingly, defendant AOIAG is a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1).

Acts in Furtherance of the Conspiracy

19. In or around 2000, Dimon Agent 1 and the sales agent for Company A agreed on behalf of Dimon and Company A to make corrupt payments to TTM officials in order to protect Dimon and Company A’s exclusive sales arrangement with the TTM. In or around 2001, Standard Agent 1 joined the agreement on behalf of Standard.

20. In or around May 2000, Dimon Employee A arranged for TTM officials to receive a kickback of approximately \$100,000, calculated at the rate of \$0.3018 per kilogram on sales of 326,600 kilograms of tobacco from the 2001 tobacco crop, which he described as a “retainer” or a “first time sale special commission.”

21. On May 2, 2000, Dimon Employee A sent an electronic mail transmission from his office in Farmville, North Carolina, to an employee in the Dimon Logistics office in Danville, Virginia, attaching a copy of a memorandum from Dimon Employee A to the TTM advising them that Dimon would be able to supply Brazilian tobacco and that payment should be made by letter of credit opened in favor of DIAG.

22. On or about May 18, 2000, Dimon Employee A sent an email directing other Dimon personnel to make payments to Dimon Agent 1 in five separate wire transfers over several days. Dimon Employee A directed that the TTM officials should

receive a payment of \$100,000 plus \$20,000 for taxes, and 2% of the sales price would be paid to the agent as a commission.

23. With reference to the 2001 tobacco crop, Dimon Employee A agreed to pay TTM officials 5% of the price of tobacco purchased by the TTM. A payment of approximately \$241,950, calculated at the rate of \$0.2646 per kilogram, was earmarked to be paid to TTM officials as a "special commission," on a purchase of 914,400 kilograms of tobacco valued at more than \$1.3 million.

24. On June 1, 2001, Dimon Employee A sent an email to another Dimon employee in Brazil about the "special commission" on TTM sales. Dimon Employee A stated, "It might be worthwhile to discuss . . . what should be said regarding the special commission. It would be better if I did not have to answer too many questions about it here in the States. I'm sure you understand!"

25. On August 2, 2001, an employee of the Dimon Logistics office in Danville, Virginia, sent an electronic facsimile transmission from Danville, Virginia, to the office of DIAG in Switzerland which contained invoices for the sale of Brazilian tobacco from the 2001 crop to the TTM.

26. On August 15, 2001, Dimon Agent 1 instructed Dimon Employee A to send payment of commissions to five separate bank accounts in Thailand.

27. On August 17, 2001, Dimon Employee A instructed Dimon personnel to make commission payments to Dimon Agent 1 in \$20,000 increments to the five bank accounts as instructed.

28. On August 20, 2001, Dimon Employee A sent an email approving a "commission" payment of \$411,137.28 to Dimon's agent for the sale of tobacco from the 2001 crop to the TTM. This payment represented a 3% commission to Dimon Agent 1 plus a 5% kickback to officials of the TTM, for a total "commission" of 8% of the value of tobacco sold to the TTM.

29. With reference to the 2002 tobacco crop, Dimon Employee A arranged for TTM officials to receive \$0.45 per kilogram of tobacco purchased. In or about April 2002, Dimon offered to sell tobacco to the TTM valued at more than \$1.2 million at a price of \$5.60 per kilogram which included \$0.45 per kilogram of "special commissions" to be paid to TTM officials, that had been arranged by Dimon Employee A.

30. On April 24, 2002, the sales agent for Company A sent an email to officials at Company A in the United States reporting that he and Dimon Agent 1 and Standard Agent 1 had met with Thai Official A to discuss the sale of the 2002 Brazilian crop, and stated that the sales price of \$5.60 per kilogram ". . . already includes the US \$0.45/kg special expenses. This offer is based on the condition that there are only the 3 regular suppliers. Should there be new comers, the so-called 'cartel' would break and it would be each one for himself and the price would drop. In this scenario, there would be no special

expenses and it would be difficult for the TTM to explain the price difference between crop 2001 (higher price) and crop 2002 (lower price).”

31. On July 26, 2002, Dimon Employee A authorized a sales order for tobacco sold to the TTM at \$5.60 per kilogram and authorized payment of “special commissions” of \$0.45 per kilogram plus a sales commission to Dimon Agent 1 of \$0.165 per kilogram.

32. On August 8, 2002, Dimon Agent 1 instructed Dimon Employee A to send payment “for my special and regular commissions” in three installments per week for two weeks by wire transfer to three different bank accounts in Thailand.

33. On June 30, 2003, Dimon Employee A sent an email authorizing payment of “Commission (1)” at the rate of \$0.50 per kilogram or approximately \$118,800, on the sale of 237,600 kilograms of tobacco from the 2003 crop to TTM. Also, Dimon Employee A authorized the payment of “Commission (2)” at the rate of \$0.174 per kilogram or approximately \$41,342.40. “Commission (1)” represented the kickback payment to officials of the TTM and “Commission (2)” represented the sales commission to Dimon Agent 1. The total commissions paid on the sale was an aggregate 11.444% of the sales amount and Dimon Employee A directed that the books and records of DIAG and Dimon falsely reflect this total commission as a legitimate sales commission paid to Dimon Agent 1.

34. On August 21, 2003, a Dimon employee in Brazil sent an electronic facsimile transmission from Vera Cruz, Brazil, to the headquarters office of Dimon in

Danville, Virginia, containing copies of the bill of lading for the shipment of Brazilian tobacco from the 2003 crop to the TTM.

35. On August 22, 2003, an employee of the Dimon Logistics office in Danville, Virginia, sent an electronic facsimile transmission from Danville, Virginia, to the office of DIAG in Switzerland which contained invoices for the sale of Brazilian tobacco from the 2003 crop to the TTM.

36. On September 29 and 30, 2003, Dimon Employee A sent emails instructing company personnel responsible for transmitting the payment to Dimon Agent 1 to make separate payments of less than \$20,000 each to four different bank accounts over several days.

37. In or around the months set forth below, DIAG and Standard Brazil, corporate predecessors of defendant AOIAG, undertook the following overt acts by transferring corrupt payments totaling approximately \$1,238,750 to Thai Official A and other TTM officials, or agreed to do so, on behalf of Dimon and Standard, in the amounts shown below:

Annual Sale to TTM	Payment (or agreement to pay) in or about	Company	Sales Volume (Kg.)	Special Expenses (\$ / Kg.)	Corrupt Payments (or promised payments) to TTM	
					Dimon	Standard
2000 Crop	May 2000	Dimon	326,600	0.3062	\$100,000	
		Standard	-0-	-		-
2001 Crop	August 2001	Dimon	914,400	0.2646	\$241,950	
		Standard	831,600	0.2646		\$220,000
2002 Crop	August 2002	Dimon	211,200	0.4500	\$ 95,040	
		Standard	192,000	0.4500		\$ 86,400
2003 Crop	September 2003	Dimon	211,200	0.5000	\$105,600	
		Standard	192,000	0.5000		\$ 96,000
2004 Crop	December 2004	Dimon	-0-	-	-	
		Standard	345,600	0.8500		\$293,760
<b>Totals</b>					<b>\$542,590</b>	<b>\$696,160</b>
					<b>\$1,238,750</b>	

## EXHIBIT 2

### CORPORATE COMPLIANCE PROGRAM

In order to address deficiencies in its internal controls, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anti-corruption laws, ALLIANCE ONE INTERNATIONAL, AG (“AOIAG” or the “company”) agrees, as a condition of the plea agreement, to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where appropriate, AOIAG agrees to adopt new or to modify existing internal controls, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that AOIAG makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements:

1. AOIAG will develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA, including its anti-bribery, books and records, and internal controls provisions, and other applicable foreign law counterparts (collectively, the “anti-corruption laws,”), which policy shall be memorialized in a written compliance code.

2. AOIAG will ensure that its senior management provide strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws and its compliance code.

3. AOIAG will develop and promulgate compliance standards and procedures designed to reduce the prospect of violations of the anti-corruption laws and AOIAG’s compliance code, and AOIAG will take appropriate measures to encourage and support the observance of ethics and compliance standards and procedures against foreign bribery by personnel at all levels of the company. These anti-corruption standards and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of AOIAG in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, “agents and business partners”), to the extent that agents and business partners may be employed under AOIAG’s corporate policy. AOIAG shall notify all employees that compliance with the standards and procedures is the duty of individuals at

all levels of the company. Such standards and procedures shall include policies governing:

- a. gifts;
- b. hospitality, entertainment, and expenses;
- c. customer travel;
- d. political contributions;
- e. charitable donations and sponsorships;
- f. facilitation payments; and
- g. solicitation and extortion.

4. AOIAG will develop these compliance standards and procedures, including internal controls, ethics, and compliance programs on the basis of a risk assessment addressing the individual circumstances of the company, in particular the foreign bribery risks facing the company, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in the company's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

5. AOIAG shall review its anti-corruption compliance standards and procedures, including internal controls, ethics, and compliance programs, no less than annually, and update them as appropriate, taking into account relevant developments in the field and evolving international and industry standards, and update and adapt them as necessary to ensure their continued effectiveness.

6. AOIAG will assign responsibility to one or more senior corporate executives of AOIAG for the implementation and oversight of AOIAG's anti-corruption policies, standards, and procedures. Such corporate official(s) shall have direct reporting obligations to independent monitoring bodies, including internal audit, AOIAG's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

7. AOIAG will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts to ensure that they cannot be used for the purpose of foreign bribery or concealing such bribery.

8. AOIAG will implement mechanisms designed to ensure that its anti-corruption policies, standards, and procedures are effectively communicated to all

directors, officers, employees, and, where appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors, officers, and employees, and, where necessary and appropriate, agents and business partners; and (b) annual certifications by all such directors, officers, and employees, and, where necessary and appropriate, agents, and business partners, certifying compliance with the training requirements.

9. AOIAG will establish an effective system for:

a. Providing guidance and advice to directors, officers, employees, and, where appropriate, agents and business partners, on complying with AOIAG's anti-corruption compliance policies, standards, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the company operates;

b. Internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners, not willing to violate professional standards or ethics under instructions or pressure from hierarchical superiors, as well as for directors, officers, employee, and, where appropriate, agents and business partners, willing to report breaches of the law or professional standards or ethics concerning anti-corruption occurring within the company, suspected criminal conduct, and/or violations of the compliance policies, standards, and procedures regarding the anti-corruption laws for directors, officers, employees, and, where necessary and appropriate, agents and business partners; and

c. Responding to such requests and undertaking appropriate action in response to such reports.

10. AOIAG will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and AOIAG's anti-corruption compliance code, policies, and procedures by AOIAG's directors, officers, and employees. AOIAG shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, ethics, and compliance program and making modifications necessary to ensure the program is effective.

11. AOIAG will institute appropriate due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

a. Properly documented risk-based due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;

b. Informing agents and business partners of AOIAG's commitment to abiding by laws on the prohibitions against foreign bribery, and of AOIAG's ethics and compliance standards and procedures and other measures for preventing and detecting such bribery; and

c. Seeking a reciprocal commitment from agents and business partners.

12. Where appropriate, AOIAG will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of anti-corruption laws, and regulations or representations and undertakings related to such matters.

13. AOIAG will conduct periodic review and testing of its anti-corruption compliance code, standards, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and AOIAG's anti-corruption code, standards and procedures, taking into account relevant developments in the field and evolving international and industry standards.

### EXHIBIT 3

#### CERTIFICATE OF CORPORATE RESOLUTIONS

WHEREAS, ALLIANCE ONE INTERNATIONAL, INC., on behalf of its subsidiary, ALLIANCE ONE INTERNATIONAL AG (“AOIAG” or “the company”), has been engaged in discussions with the United States Department of Justice in connection with issues arising in relation to certain corrupt payments to foreign officials to facilitate the award of contracts and obtaining of business for the company; and

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 Chief Legal Officer, together with investigative and outside counsel for the company, have 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;

Therefore, this Board hereby RESOLVES that:

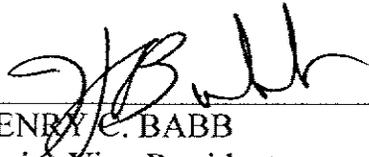
1. The company (i) consents to the filing of a three-count Information in the United States District Court for the Western District of Virginia, charging AOIAG with conspiracy to violate the Foreign Corrupt Practices Act (“FCPA”) (15 U.S.C. § 78dd-1, *et seq.*), in violation of 18 U.S.C. § 371 (Count One); violating the anti-bribery provisions of the FCPA, in violation of 15 U.S.C. § 78dd-3 (Count Two); and aiding and abetting the making of false entries in books and records, in violation of the FCPA, 15 U.S.C. §§ 78m(b)(2) & (b)(5), 78ff(a), and 18 U.S.C. § 2 (Count Three), relating to its officers and employees making corrupt payments of money to certain foreign officials in order to facilitate the award to the company of certain contracts; (ii) waives indictment on such charges and enters into a Plea Agreement with the United States Department of Justice; (iii) consents to enter a plea of guilty as to all charges in the Information; and (iv) further agrees to accept a monetary penalty against AOIAG of \$5,250,000, and to pay \$5,250,000 to the United States with respect to the conduct described in the Information.

2. The Chief Legal Officer, or his delegate, is hereby authorized, empowered and directed, on behalf of the company, to execute the Plea 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 Chief Legal Officer, or his delegate, is hereby authorized, empowered and directed 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 Chief Legal Officer 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.

Date: 8/6/10

  
\_\_\_\_\_  
HENRY E. BABB  
Senior Vice-President,  
Chief Legal Officer and Secretary,  
Alliance One International, Inc.