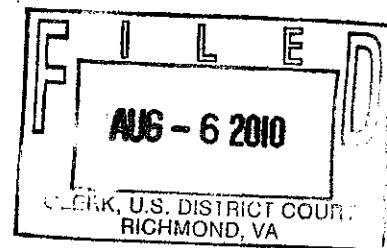


IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

Richmond Division



UNITED STATES OF AMERICA,)
)
)
v.)
)
UNIVERSAL LEAF TABACOS LTDA.,)
)
Defendant.)

Criminal No. 3:10CR225

PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(b) of the Federal Rules of Criminal Procedure, the United States of America, by and through the Fraud Section of the Criminal Division of the United States Department of Justice ("Department of Justice" or the "Department") and the United States Attorney's Office for the Eastern District of Virginia ("USAO"), and the defendant, Universal Leaf Tabacos Ltda. ("Universal Brazil" or "Defendant"), a Brazilian corporation, by its undersigned attorneys, and Universal Corporation, on behalf of its wholly owned subsidiary Universal Brazil, hereby submit and enter into this Plea Agreement ("Agreement"). The terms and conditions of this Agreement are as follows:

The Defendant's Agreement

1. Defendant agrees to waive indictment and plead guilty to a two-count Criminal Information filed in the Eastern District of Virginia charging Defendant with conspiracy to commit an offense against the United States, in violation of Title 18, United States Code, Section 371, that is, to violate the Foreign Corrupt Practices Act ("FCPA"), as amended, Title 15, United States Code, Sections 78dd-1, *et seq.* (Count One), and with violating the anti-bribery provisions

of the FCPA, Title 15, United States Code, Section 78dd-3 (Count Two). Defendant further agrees to persist in that plea through sentencing and, as set forth below, to fully cooperate with the Department.

2. Defendant understands and agrees that this Agreement is between the Department, USAO, Defendant, and Universal Corporation on behalf of Defendant, 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. Nevertheless, the Department and USAO will bring this Agreement and the cooperation of Defendant, its direct or indirect affiliates, and its 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 the Certificate of Corporate Resolutions attached as Appendix A was duly adopted by the Board of Directors of Universal Brazil, and represents that the signatures on this Agreement by Universal Brazil and its counsel are authorized by the Board of Directors of Universal Brazil.

4. Defendant, and Universal Corporation, on behalf of Universal Brazil, agree that each has the full legal right, power, and authority to enter into and perform all of its obligations under this Agreement.

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 Eastern District of Virginia the mandatory special assessment of \$400 per count within five (5) business days from the date of sentencing.

6. Defendant and Universal Corporation agree that if either of them, or any of their direct or indirect affiliates or subsidiaries, issues a press release in connection with this Agreement, Universal Brazil or Universal Corporation shall first consult the Department and USAO to determine whether (a) the text of the release is true and accurate with respect to matters between the Department and Defendant; and (b) the Department has no objection to the release.

7. Defendant 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, Defendant 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.

8. Defendant agrees to abide by all terms and obligations of this Agreement as described herein, including but not limited to the following:

- a. to plead guilty as set forth in this Agreement;
- b. to abide by all sentencing stipulations contained in this Agreement;
- c. to appear, through its duly appointed representatives, as ordered for all Court appearances;
- d. to commit no further crimes;
- e. to be truthful at all times with the Court;
- f. to cooperate with the independent corporate monitor referenced in paragraph 21(d) of this Agreement as described in Appendix C;

g. to implement a compliance and ethics programs designed to detect and prevent violations of the FCPA, other anti-corruption laws, and all applicable foreign bribery laws, as described in Appendix D; and

h. to pay the applicable fine and special assessment.

9. Defendant further agrees to cooperate with the Department, USAO, and with any other federal, state, local, or foreign law enforcement agency as directed by the Department and USAO. This cooperation includes, but is not limited to:

a. Providing and/or ensure that the Department and USAO is given access to all officers, directors, employees, agents, and consultants of Universal Brazil or any of its direct or indirect affiliates, subsidiaries, or its parent corporation for interviews and testimony in the United States relating to the illegal payments described in the attached Appendix B (Statement of Facts); and

b. Providing access to copies of non-privileged original documents and records relating to such payments if requested to do so.

The United States' Agreement

10. In exchange for the guilty plea of Defendant and the complete fulfillment of all of its obligations under this Agreement, and in exchange for the agreement of its parent company, Universal Corporation, to assume all of the obligations set forth in the Non-Prosecution Agreement, the Department and USAO agree that they will not file additional criminal charges against Defendant or any of its direct or indirect affiliates, subsidiaries, or its parent corporation relating to the conduct disclosed to the Department and USAO as of the date of this Agreement. This Agreement will not close or preclude the investigation or prosecution of any natural

persons, including any officers, directors, employees, agents, or consultants of Defendant 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

11. Defendant is pleading guilty because it is guilty of the charges contained in the Information. Defendant 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 Appendix B (Statement of Facts), and that the Statement of Facts accurately reflects its criminal conduct.

Defendant's Waiver of Rights, Including Right to Appeal

12. The Defendant represents to the Court that it is satisfied that its undersigned attorneys have rendered effective assistance. The Defendant understands that by entering into this Agreement, it surrenders certain rights as provided in this Agreement. The Defendant understands that the rights of a defendant include the following:

a. If the Defendant persisted in a plea of not guilty to the charges, the Defendant would have the right to a speedy jury trial with the assistance of counsel. The trial may be conducted by a judge sitting without a jury if the Defendant, the United States, and the court all agree.

b. At a trial, the United States would be required to present witnesses and other evidence against the Defendant. The Defendant would have the opportunity to confront those witnesses and its attorney would be allowed to cross-examine them. In turn, the Defendant could, but would not be required to, present witnesses and other evidence on his own behalf. If

the witnesses for the Defendant would not appear voluntarily, it could require their attendance through the subpoena power of the court.

c. At a trial, no inference of guilt could be drawn from the Defendant's refusal to present evidence. However, if the Defendant desired to do so, it could present evidence on its behalf.

13. Defendant knowingly, intelligently, and voluntarily waives its right to appeal the conviction in this case. Defendant similarly knowingly, intelligently, and voluntarily waives the right to appeal the sentence imposed by the Court. In addition, Defendant knowingly, intelligently, and voluntarily waives the right to bring a collateral challenge pursuant to 28 U.S.C. § 2255, challenging either the conviction or the sentence imposed in this case, except for a claim of ineffective assistance of counsel. Defendant waives all defenses to the offenses charged 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) Defendant 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.

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, Title 18, United States Code, Sections 3571(c)(3) and (d); five years' probation, Title 18, United States Code, Section 3561(c)(1); and a mandatory special assessment of \$400, Title 18, United States Code, Section 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 is a fine of \$2,000,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest, Title 15, United States Code, Section 78dd-3(e)(1)(A), Title 18, United States Code, Section 3571(d); five years' probation, Title 18, United States Code, Section 3561(c)(1); and a mandatory special assessment of \$400, Title 18, United States Code, Section 3013(a)(2)(B). The statutory maximum sentences for multiple counts can be aggregated and run consecutively.

Sentencing Factors

15. 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 Title 18, United States Code, Section 3553(a). The parties' agreement herein to any guideline sentencing factors constitutes proof of those factors sufficient to satisfy the applicable burden of proof.

16. The parties stipulate that the 2004 United States Sentencing Guidelines apply 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:

17. The Department, USAO, and Defendant agree that an application of the Sentencing Guidelines to determine the applicable fine range yields the following analysis:

- a. Base Offense. Based upon USSG § 2C1.1, the total offense level is 30, calculated as follows:

(a)(2) Base Offense Level 12

(b)(1) Specific Offense Characteristic

(More than one bribe)	+2
(b)(2) Specific Offense Characteristic (Value of Benefit Received between \$1 million and \$2.5 million)	
	+16
TOTAL	30

b. Base Fine. Based upon USSG § 8C2.4(a)(1), the base fine is \$10,500,000 (fine corresponding to the Base Offense level as provided in Offense Level Table).

c. Culpability Score. Based upon USSG § 8C2.5, the culpability score is 3, calculated as follows:

(a) Base Culpability Score	5
(b)(3) The organization had 200 or more employees and tolerance of the offense by substantial authority personnel was pervasive throughout the organization	
	+3
(g) The organization (A) prior to an imminent threat of disclosure or government investigation; and (B) within a reasonable amount of time after becoming aware of the offense, reported the offense, fully cooperated, and clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct	
	- 5

TOTAL

3

d. Calculation of Fine Range.

Base Fine	\$10,500,000
Multipliers, culpability score of 3 (U.S.S.G. § 8C2.6):	0.6 – 1.2
Fine Range (U.S.S.G. § 8C2.7):	\$6,300,000 – \$12,600,000

Sentencing Recommendation

18. Fine. Assuming Universal Brazil accepts responsibility as explained above, the parties will recommend the imposition of a fine in the amount of \$4,400,000 payable to the Clerk of the Court for the United States District Court for the Eastern 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. Universal Brazil acknowledges that no tax deduction may be sought in connection with the payment of any part of this \$4,400,000 fine.

19. Universal Brazil agrees to pay a monetary penalty in the amount of \$4,400,000, or approximately 30% below the bottom of the applicable Sentencing Guidelines fine range of \$6,300,000. The parties agree that such a reduction is appropriate based on the following factors:

a. Universal Corporation and Universal Brazil's extensive cooperation during the course of the investigation, including the provision of relevant documents and information;

b. Universal Corporation and Universal Brazil's substantial assistance with other related Department investigations regarding the bribery of foreign government officials as described in Appendix B; and

c. Universal Corporation and Universal Brazil's remedial efforts, including enhancing the companies' compliance resources and compliance policies, procedures, and internal controls.

20. Mandatory Special Assessment. Defendant shall pay to the Clerk of the Court for the United States District Court for the Eastern District of Virginia within (5) business days of the time of sentencing the mandatory special assessment of \$400 per count.

21. The parties have agreed that the disposition described herein represents an appropriate disposition of the case based upon the following factors:

a. By entering and fulfilling the obligations under this Agreement, Defendant 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 Universal Brazil and its parent corporation Universal Corporation, through their counsel, to the Department and the disclosure of evidence obtained as a result of the investigation subsequently conducted through their counsel, and the extraordinary cooperation by Universal Brazil and its parent Universal Corporation throughout the Department's investigation.

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

d. By entering into a Non-Prosecution Agreement with the Department and USAO, Universal Corporation, Universal Brazil's parent corporation, has, among other things, agreed to: (i) implement a compliance and ethics program designed to detect and prevent

violations of the FCPA, other anti-corruption laws, and all applicable foreign bribery laws throughout its operations, including those of Universal Brazil, subsidiaries, affiliates, and successors as described in Appendix D; and (ii) engage an independent corporate monitor as described in Appendix C.

22. The parties agree not to seek any adjustments to, or departures from, the agreed upon payment of \$4,400,000 as set forth herein.

23. Organizational Probation. The parties agree that a three (3) year term of organizational probation is appropriate in this case and shall include, as conditions of probation: (a) the engagement of an independent corporate monitor as described in Appendix C, (b) the maintenance of a corporate compliance program as described in Appendix D; and any other conditions ordered by the Court.

24. The Defendant understands that the Court is not bound by the recommendations of the parties or those made in any pre-sentence report. Because this Agreement is made under Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, Defendant may not withdraw any guilty plea or rescind this Agreement if the Court does not follow the agreements or recommendations herein.

Waiver of Presentence Investigation and Consolidation of Plea and Sentencing

25. The parties agree, subject to the Court's approval, to waive the requirement for a presentence 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 presentence report prior to sentencing, such order will not affect

the agreement set forth herein. Additionally, if the Court directs the preparation of a presentence report, the Department will fully inform the preparer of the presentence report and the Court of the facts and law related to Defendant's case.

26. The parties further agree to request that the Court combine the entry of the plea and sentencing into one proceeding. However, the parties agree that in the event the Court orders that the entry of the guilty plea and sentencing hearing(s) occur at separate proceedings, such an order will not affect the agreement set forth herein.

Breach of Agreement

27. If Defendant, or Universal Corporation, breaches the terms of this Agreement, or commits any new criminal offense between signing this Agreement and sentencing, the United States is relieved of its obligations under this Agreement, but Defendant may not withdraw its guilty plea. Whether Defendant has breached any provision of this Agreement shall be determined solely by the United States.

28. In the event of a breach of this Agreement by Defendant, should the United States elect to pursue any criminal charge or any civil or administrative action that was not filed as a result of this Agreement, then:

a. Defendant agrees that any applicable statute of limitations is tolled between the date of Defendant's signing of this Agreement and the discovery by the United States of any breach by Defendant;

b. Defendant understands that the United States will be free to use against Universal Brazil or Universal Corporation, directly and indirectly, in any criminal or civil

proceeding any of the information or materials provided by Universal or Universal Brazil pursuant to this agreement, as well as the admitted Statement of Facts attached hereto;

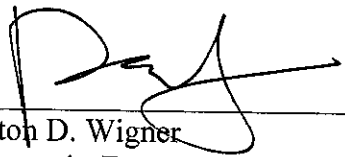
c. Defendant expressly acknowledges and incorporates by reference the Tolling Agreement and Tolling Agreement Extensions that have previously been entered into between Universal Corporation and the United States; and

d. Defendant waives all defenses based on the statute of limitations, any claim of preindictment 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.

Complete Agreement

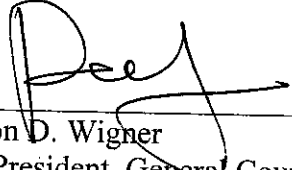
29. This document contains the full extent of the agreement between the parties. There are no other promises or agreements, express or implied. Any modification of this Agreement shall be valid only if set forth in writing in a supplemental or revised plea agreement signed by all parties.

FOR UNIVERSAL LEAF
TABACOS LTDA:



Preston D. Wigner
Attorney-in-Fact
Universal Leaf Tabacos LTDA
Rodovia BR 471 – KM 129,800
P.O. Box 1025
Distrito Industrial
96835-642 Santa Cruz Do Sul
Rio Grande Do Sul, Brazil

FOR UNIVERSAL CORPORATION:



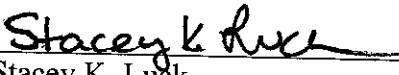
Preston D. Wigner
Vice President, General Counsel, Secretary,
and Chief Compliance Officer
Universal Corporation
9201 Forest Hill Avenue
Stony Point II Building
Richmond, VA 23235

FOR THE DEPARTMENT:

DENIS J. MCINERNEY
Chief
Fraud Section, Criminal Division

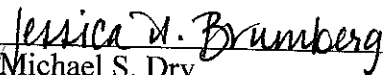
NEIL H. MACBRIDE
U.S. Attorney
U.S. Attorney's Office for the
Eastern District of Virginia

By:



Stacey K. Luck
Senior Trial Attorney
Fraud Section, Criminal Division
U.S. Department of Justice
1400 New York Avenue, N.W.
Washington, D.C. 20005

By:



for Michael S. Dry
Assistant United States Attorney
United States Attorney's Office
Eastern District of Virginia
1800 East Main Street
Richmond, Virginia 23219

Filed at Richmond, Virginia on August 6, 2010.

OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with counsel for Universal Leaf Tabacos Ltda. ("Universal Brazil"). I understand the terms of this Agreement and voluntarily agree, on behalf of Universal Brazil, to each of its terms. Before signing this Agreement on behalf of Universal Brazil, I consulted with the attorney for Universal Brazil. The attorney fully advised me of the rights of Universal Brazil, of possible defenses, the sentencing guidelines provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed this Agreement with the Board of Directors of Universal Brazil. I have advised, and caused outside counsel for Universal Brazil to advise, the Board fully of the rights of Universal Brazil, of possible defenses, and of the consequences of entering into the Agreement.

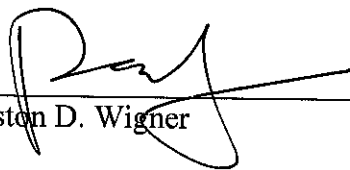
No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me to enter into this Agreement. I am also satisfied with the attorneys' representation in this matter.

I certify that I am an officer of Universal Brazil and that I have been duly authorized by Universal Brazil to execute this Agreement on behalf of Universal Brazil.

Date: AUGUST 6, 2010

UNIVERSAL LEAF TABACOS LTDA

By:



Preston D. Wigner

OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with counsel for Universal Corporation ("Universal"). I understand the terms of this Agreement and voluntarily agree, on behalf of Universal, to each of its terms. Before signing this Agreement on behalf of Universal, I consulted with the attorney for Universal. The attorney fully advised me of the rights of Universal, of possible defenses, the sentencing guidelines provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed this Agreement with the Board of Directors of Universal. I have advised, and caused outside counsel for Universal to advise, the Board fully of the rights of Universal, of possible defenses, and of the consequences of entering into the Agreement.

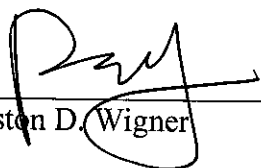
No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me to enter into this Agreement. I am also satisfied with the attorney's representation in this matter.

I certify that I am an officer of Universal and that I have been duly authorized by Universal to execute this Agreement on behalf of Universal.

Date: August 6, 2010

UNIVERSAL CORPORATION

By:

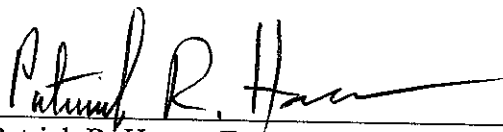


Preston D. Wigner

CERTIFICATE OF COUNSEL

We are counsel for Universal Corporation and Universal Leaf Tabacos Ltda. (collectively referred to herein as "Universal") in the matter covered by this Agreement. In connection with such representation, we have examined relevant Universal documents and have discussed this Agreement with the Board of Directors of Universal. Further, we have carefully reviewed every part of this Agreement with the Board of Directors and General Counsel of Universal. We have fully advised them of Universal's rights, of possible defenses, the sentencing guidelines provisions, and of the consequences of entering into this Agreement. Based on our review of the foregoing materials and discussions, we are of the opinion that Universal's representative has been duly authorized to enter into this Agreement on behalf of Universal. This Agreement has been duly and validly authorized, executed, and delivered on behalf of Universal and is a valid and binding obligation of Universal. To our knowledge, Universal's decision to enter into this Agreement is an informed and voluntary one.

Date: 8/6/2010


Patrick R. Hanes, Esq.
Edward J. Dillon, Esq.
Williams Mullen
200 South 10th Street
Richmond, Virginia 23219