

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: *[Signature]*  
DEPUTY CLERK

UNITED STATES OF AMERICA )  
 )  
 v. )  
 )  
 ALLIANCE ONE TOBACCO )  
 OSH, LLC, )  
 )  
 Defendant )  
 \_\_\_\_\_ )

Criminal No. 4:10cr00016

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 TOBACCO OSH, LLC ("AOI-Kyrgyzstan"), 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 AOI-Kyrgyzstan agrees to waive indictment and plead guilty to a three-count criminal information to be filed in the Western District of Virginia charging AOI-Kyrgyzstan 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 AOI-Kyrgyzstan, 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 AOI-Kyrgyzstan, 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 AOI-Kyrgyzstan, in the form attached to this Agreement as Exhibit 3, or in a substantially similar form, represents that the signature on this Agreement by AOI-Kyrgyzstan and its counsel are authorized by the Board of Directors of AOI on behalf of its subsidiary AOI-Kyrgyzstan.

4. Defendant AOI-Kyrgyzstan 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 AOI-Kyrgyzstan agrees that in the event it sells, merges or transfers all or substantially all of its business operations as they exist on the date of this Agreement, whether such sale(s) is/are structured as a stock or asset sale, merger, or transfer, AOI-Kyrgyzstan 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 AOI-Kyrgyzstan and the complete fulfillment of all of its obligations under this Agreement, the Department agrees not to file additional criminal charges against AOI-Kyrgyzstan 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 AOI-Kyrgyzstan, 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 AOI-Kyrgyzstan is pleading guilty because it is guilty of the charges contained in the Information. Defendant AOI-Kyrgyzstan 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, employees and predecessor corporation as 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 AOI-Kyrgyzstan agrees:
  - 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 and to obey any other 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 AOI-Kyrgyzstan shall completely and truthfully disclose to the Department all non-privileged information with respect to the activities of AOI-Kyrgyzstan 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 AOI-Kyrgyzstan 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. AOI-Kyrgyzstan knowingly, intelligently, and voluntarily waives its right to appeal the conviction in this case. AOI-Kyrgyzstan 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. AOI-Kyrgyzstan 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) AOI-Kyrgyzstan 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, *et seq.*, 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 \$4.8 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 (\$4.8 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 AOI-Kyrgyzstan agree that the appropriate sentence in this case is a fine in the amount of

\$4,200,000 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 (AOI-Kyrgyzstan'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 AOI-Kyrgyzstan 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 AOI-Kyrgyzstan 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 AOI-Kyrgyzstan 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 AOI-Kyrgyzstan, 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 AOI-Kyrgyzstan), 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 AOI-Kyrgyzstan 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 AOI-Kyrgyzstan 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 AOI-Kyrgyzstan 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 AOI-Kyrgyzstan'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 AOI-Kyrgyzstan 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 AOI-Kyrgyzstan may not withdraw any guilty plea.

28. In the event of a breach of this Agreement by AOI-Kyrgyzstan, 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 AOI-Kyrgyzstan, directly and indirectly, in any criminal or civil proceeding, any of the information or materials provided by AOI-Kyrgyzstan pursuant to this Agreement, as well as the admitted Statement of Facts attached hereto as Exhibit 1.

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

c. AOI-Kyrgyzstan 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 AOI-Kyrgyzstan has breached this Agreement, prior to instituting any prosecution resulting from such breach, the Department agrees to provide AOI-Kyrgyzstan with written notice of such breach, to which AOI-Kyrgyzstan 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 AOI-Kyrgyzstan 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.

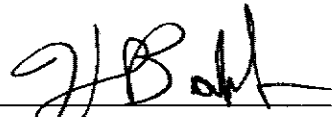
**AGREED:**

**FOR DEFENDANT AOI-KYRGYZSTAN:**



EDWARD J. FUHR, ESQ.  
HUNTON & WILLIAMS, LLP  
Counsel for Defendant Alliance One  
Tobacco Osh, LLC, 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  
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(202) 514-7023

Filed at Danville, Virginia on this 6<sup>th</sup> 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 Tobacco Osh, LLC (“AOI-Kyrgyzstan”), and the parties hereby agree and stipulate that the following information is true and accurate. As set forth in Paragraph 9 of the Agreement, AOI-Kyrgyzstan accepts and acknowledges that it is responsible for the acts of its officers, employees and predecessor corporation 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 that maintained its principal place of business in Danville, Virginia. Dimon purchased and processed leaf 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 (15 U.S.C. § 78m). Accordingly, Dimon 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 Dimon's assets. Dimon also had an obligation to ensure that its wholly owned subsidiaries, including Dimon International Kyrgyzstan, Inc., maintained accurate books and records.

2. Prior to 2005, Dimon maintained a wholly owned subsidiary under the name of Dimon International Kyrgyzstan, Inc. ("DIK"), that was organized under the laws of the Republic of Kyrgyzstan, and conducted business in Kyrgyzstan, the Western District of Virginia and elsewhere. During the relevant period, DIK purchased and processed tobacco grown in Kyrgyzstan, and shipped processed tobacco to Dimon's customers throughout the world. DIK maintained its principal place of business in Osh, Kyrgyzstan and made regular reports of its business operations and financial accounts to officers of Dimon located at its headquarters in Danville, Virginia. DIK regularly sought approval for management decisions from Dimon management and worked with and communicated with individuals acting as DIK's agents in Danville, Virginia, and Farmville, North Carolina, who undertook certain acts within the territory of the United States such that DIK was a "person" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1).

3. Prior to 2005, Standard Commercial Inc. ("Standard"), also operated as a leaf tobacco merchant worldwide, and also was an "issuer" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

Alliance One International, Inc.

4. In 2005, Dimon and Standard merged to form Alliance One International, Inc. (“AOI”), that also was engaged in business as a leaf tobacco merchant worldwide. AOI was a publicly traded Virginia corporation that 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. AOI carried out its business through several subsidiary corporations organized under the laws of many foreign jurisdictions.

Alliance One Tobacco Osh, LLC

5. After the merger of Dimon and Standard in 2005, AOI changed the name of its Kyrgyz subsidiary from DIK to ALLIANCE ONE TOBACCO OSH, LLC (“AOI-Kyrgyzstan”), which continued to operate in Kyrgyzstan as a wholly owned subsidiary of AOI. AOI-Kyrgyzstan, defendant herein, is the corporate successor to DIK, and is legally accountable for the criminal acts of its predecessor corporation. Accordingly, defendant AOI-Kyrgyzstan is a “person” within the meaning of the FCPA, 15 U.S.C. § 78dd-3(f)(1).

Corrupt Payments to the Kyrgyz Tamekisi

6. In or around spring 1996, the Government of Kyrgyzstan established the Kyrgyz Tamekisi (“Tamekisi”), an agency and instrumentality of the government, to manage and control the government-owned shares of the tobacco processing facilities throughout Kyrgyzstan. “Kyrgyz Official A,” served as the General Director of the

Tamekisi and, as such, was a “foreign official” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A).

7. On or about September 27, 1996, officers of another Dimon subsidiary, Dimon International, Inc. (“Dimon International”), entered into a written agreement with the Tamekisi concerning the manner in which DIK would be allowed to conduct business in Kyrgyzstan.

8. On or about October 22, 1996, a senior executive involved in Dimon International’s European operations and Kyrgyz Official A signed a written amendment to the previous agreement whereby the Tamekisi agreed, among other things, to issue a license to DIK to process and export tobacco from the 1996 crop. Further, DIK agreed to pay the Tamekisi \$0.18 per kilogram for future tobacco processing services plus an additional \$0.05 per kilogram for “financial assistance.”

9. On or about September 26, 1997, DIK Employee A sent a memorandum by facsimile transmission from the offices of a Dimon subsidiary in Aalsmeer, Netherlands, to officers of Dimon located at its corporate offices in Danville, Virginia, in which he stated: “As in last years situation, there are also some ‘special assistance’ charges that will have to be included as was the case last year. In last years case, we paid the Kyrgyztamekisi \$0.05 per kilogram as a development charge for the tobacco market. This year the charge has been reduced to \$0.025 per kilogram as development money but, they also want an additional \$0.02 per kilogram which will be ‘black’ money. This black

money will be split 4 ways one part to [Kyrgyz Official A], one part to [Kyrgyz Official B], one part to [Kyrgyz Official C] and one part to DIMON.”

10. From in or around October 1996, and continuing through at least February 2004, DIK made cash payments to Kyrgyz Official A totaling approximately \$2,684,060. These payments were calculated roughly at the rate of \$0.05 per kilogram of tobacco processed by the Tamekisi and represented the “financial assistance” called for in the written agreement, although the Tamekisi performed no additional services for DIK. In fact, the “financial assistance” payments to Kyrgyz Official A were bribes, intended by DIK and Dimon to influence acts or decisions of Kyrgyz Official A in his official capacity and to secure DIK’s continued access to the tobacco processing facilities controlled by the Tamekisi.

#### Corrupt Payments to the Kyrgyz Akims

11. In Kyrgyzstan, each municipal, district or provincial governmental unit was headed by a public official known as an “Akim,” who was appointed to the post by the President of Kyrgyzstan on the advice of the Prime Minister. Accordingly, the Akims were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A). Each Akim could exercise authority over the sale of tobacco by the growers within the local geographical area. Beginning in or around 1996, it became necessary for DIK to obtain permission from local Akims to purchase tobacco from the

growers in each area. Several of the Akims demanded payment of a “commission” from DIK in order to secure permission for DIK to purchase tobacco from local growers.

12. From in or around January 1996, and continuing through at least in or around March 2004, DIK made cash payments on behalf of Dimon to the Akims of five different municipalities totaling approximately \$283,762 in order to influence the acts and decisions of the Akims and to secure DIK’s continued ability to purchase tobacco from growers in the municipalities controlled by the Akims.

Corrupt Payments to the Kyrgyz Tax Inspectors

13. During periodic audits of Dimon’s business affairs in Kyrgyzstan, the Kyrgyz Tax Inspection Police, who were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A), assessed penalties and threatened to shut down DIK. From in or around March 2000 through in or around March 2003, DIK made approximately nine cash payments to officers of the Kyrgyz Tax Inspection Police totaling approximately \$82,850 in order to influence the acts and decisions of the Kyrgyz Tax Inspection Police and to secure DIK’s continued ability to conduct its business in Kyrgyzstan.

The “Special Account”

14. DIK maintained a company bank account at the Demir Kyrgyz International Bank in Osh, Kyrgyzstan, that was known as the “special account.” The special account was kept in the name of the Dimon employees who served as DIK Country Manager for

Kyrgyzstan (“DIK Employee A”) and successive DIK Finance Directors (“DIK Employee B” and “DIK Employee C”). DIK Employee A, assisted from time to time by DIK Employee B and DIK Employee C, withdrew cash from the special account, in the form of U.S. currency, that he used to make the payments to Kyrgyz Official A, the Akims and the Kyrgyz Tax Inspection Police as described above.

15. When DIK Employee A needed to replenish money in the special account, he sent requests for funds by electronic mail or facsimile transmission to other employees and officers of Dimon or its affiliates located in the United Kingdom and the Netherlands. Each such request was accompanied by a wire transfer request form which ELKIN knew would be forwarded by other Company A employees to Company A’s Financial Accounting Department in Danville, Virginia, by electronic mail or by facsimile transmission. Ordinarily, the approval for each funding request was transmitted by electronic mail to DIK Employee A in Kyrgyzstan from the Dimon affiliate’s offices in the United Kingdom.

16. The financial reporting on the special account from DIK and all other Dimon subsidiaries went directly to Dimon’s corporate headquarters in the United States. In or around July 2002, an internal audit report to Dimon headquarters stated that DIK management continued to be challenged by a “cash environment” and cited corruption in Kyrgyzstan as a financial risk because of the potential control issue with cash payments.

17. Between in or around January 1996 and in or around December 2004, the Kyrgyzstan business operations of DIK generated profits of approximately \$4.8 million for its parent corporation, Dimon.

18. On or about the dates set forth below, DIK Employee A delivered the following cash payments to Kyrgyz Official A, on behalf of DIK and Dimon, in the amounts set forth below, totaling approximately \$2,684,060:

Date	\$ Amount	Date	\$ Amount
January 1996	10,000	February 2001	34,000
October 1996	5,000	March 2001	10,000
December 1996	330,000	June 2001	8,000
October 1997	30,160	June 2001	20,000
October 1997	62,500	July 2001	20,000
July 1998	1,000	August 2001	105,000
August 1998	50,000	December 7, 2001	10,000
October 1998	10,000	December 7, 2001	10,000
November 1998	50,000	January 9, 2002	85,000
January 1999	15,000	February 4, 2002	109,000
January 1999	48,000	May 24, 2002	51,000
April 1999	3,000	June 12, 2002	25,000
May 1999	45,000	November 22, 2002	20,000
September 1999	50,000	December 16, 2002	50,000
September 1999	90,000	February 8, 2003	115,000
November 1999	5,000	April 17, 2003	340,000

Date	\$ Amount	Date	\$ Amount
November 1999	70,000	June 13, 2003	13,400
March 2000	196,000	December 29, 2003	5,000
May 2000	34,000	February 2004	100,000
September 2000	10,000	February 28, 2004	135,000
October 2000	185,000	February 28, 2004	15,000
January 2001	94,000	--	--
<b>TOTAL PAYMENTS TO KYRGYZ OFFICIAL A</b>			<b>\$2,684,060</b>

19. On or about the dates set forth below, DIK Employee A delivered the following cash payments to the Akim of the Nookat Municipality, on behalf of DIK and Dimon, in the amounts set forth below, totaling approximately \$195,562:

Date	\$ Amount	Date	\$ Amount
January, 1996	700	February, 2000	20,000
January, 1996	1,600	June, 2000	1,100
January, 1996	500	September, 2000	1,000
January, 1996	500	October, 2000	502
January, 1996	1,500	November, 2000	10,000
December, 1996	1,000	December, 2000	5,000
February, 1997	2,000	January, 2001	2,700
March, 1997	2,000	March, 2001	5,000
March, 1997	9,000	August, 2001	2,500
April, 1997	5,000	January 28, 2002	10,000
October, 1997	1,500	April 30, 2002	20,000
November, 1997	2,000	October 12, 2002	10,000



<b>Date</b>	<b>\$ Amount</b>	<b>Date</b>	<b>\$ Amount</b>
September, 1998	500	December 16, 2002	10,000
September, 1998	5,000	December, 2002	10,000
September, 1998	5,000	April 21, 2003	7,960
December, 1998	2,000	September 3, 2003	20,000
January, 1999	4,000	November 18, 2003	5,000
November, 1999	2,000	March 31, 2004	5,000
November, 1999	4,000	--	--
<b>TOTAL PAYMENTS TO THE AKIM OF NOOKAT</b>			<b>\$195,562</b>

20. On three separate occasions from in or around June 2001 through in or around December 2002, DIK Employee A delivered cash payments to the Akim of the Aksy Municipality on behalf of DIK and Dimon, totaling approximately \$6,700.

21. On nine separate occasions from in or around March 1999 through in or around February 2004, DIK Employee A delivered cash payments to the Akim of the Alabuka Municipality on behalf of DIK and Dimon, totaling approximately totaling approximately \$46,000.

22. On December 11, 2002, DIK Employee A delivered a cash payment to the Akim of the Alafuko Municipality on behalf of DIK and Dimon, in the amount of approximately \$2,000.

23. On March 31, 2004, DIK Employee A delivered a cash payment to the Akim of the Chilik Municipality on behalf of DIK and Dimon, in the amount of approximately \$4,000.

24. From in or around January 1996, and continuing through at least in or around March 2004, DIK falsified its books, records, and accounts, and aided, abetted and assisted Dimon in inaccurately reflecting in its books and records the cash payments to Kyrgyz Official A, the Akims and the Kyrgyz Tax Inspection Police totaling \$3,050,672 as, among other things, “financial assistance” or “commissions,” when in fact these payments were bribes, all or part of which DIK understood and intended would be transferred to Kyrgyz government officials.

## **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 TOBACCO OSH, LLC (“AOI-Kyrgyzstan” 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, AOI-Kyrgyzstan 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 AOI-Kyrgyzstan 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. AOI-Kyrgyzstan 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. AOI-Kyrgyzstan 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. AOI-Kyrgyzstan will develop and promulgate compliance standards and procedures designed to reduce the prospect of violations of the anti-corruption laws and AOI-Kyrgyzstan’s compliance code, and AOI-Kyrgyzstan 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 AOI-Kyrgyzstan 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 AOI-Kyrgyzstan’s

corporate policy. AOI-Kyrgyzstan 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. AOI-Kyrgyzstan 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. AOI-Kyrgyzstan 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. AOI-Kyrgyzstan will assign responsibility to one or more senior corporate executives of AOI-Kyrgyzstan for the implementation and oversight of AOI-Kyrgyzstan's anti-corruption policies, standards, and procedures. Such corporate official(s) shall have direct reporting obligations to independent monitoring bodies, including internal audit, AOI-Kyrgyzstan'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. AOI-Kyrgyzstan 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. AOI-Kyrgyzstan 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. AOI-Kyrgyzstan 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 AOI-Kyrgyzstan'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. AOI-Kyrgyzstan will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and AOI-Kyrgyzstan's anti-corruption compliance code, policies, and procedures by AOI-Kyrgyzstan's directors, officers, and employees. AOI-Kyrgyzstan 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. AOI-Kyrgyzstan 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 AOI-Kyrgyzstan's commitment to abiding by laws on the prohibitions against foreign bribery, and of AOI-Kyrgyzstan'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, AOI-Kyrgyzstan 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. AOI-Kyrgyzstan 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 AOI-Kyrgyzstan'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 TOBACCO OSH, LLC (“AOI-Kyrgyzstan” 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:

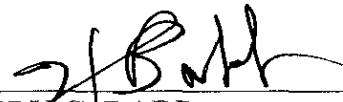
1. The company (i) consents to the filing of a three-count Information in the United States District Court for the Western District of Virginia, charging AOI-Kyrgyzstan with conspiracy to violate the Foreign Corrupt Practices Act (“FCPA”) (15 U.S.C. § 78dd-1, *et seq.*), in violation of 18 U.S.C. § 371 (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 AOI-Kyrgyzstan of \$4,200,000, and to pay \$4,200,000 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 Chief Legal Officer, 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: 8/5/10

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