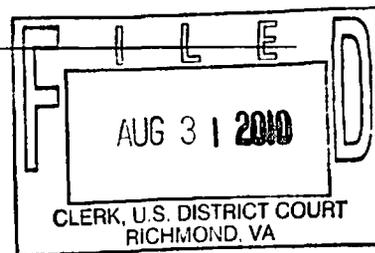


**UNITED STATES DISTRICT COURT  
Eastern District of Virginia  
Richmond Division**



UNITED STATES OF AMERICA

V.

Case Number: 3:10CR00225-01

USM Number: N/A

UNIVERSAL LEAF TOBACOS LTDA.

Defendant's Attorney:  
Patrick R. Hanes, Esquire

Defendant.

**JUDGMENT IN A CRIMINAL CASE**

The defendant pleaded guilty to a Two Count Criminal Information.

The defendant is adjudicated guilty of these offenses.

<u>Title and Section</u>	<u>Nature of Offense</u>	<u>Offense Class</u>	<u>Offense Ended</u>	<u>Count</u>
18 U.S.C. Sec. 371	Conspiracy to Violate the Foreign Corrupt Practices Act	Felony	July 2004	One
15 U.S.C. Sec. 78dd-3	Foreign Corrupt Practices Act Violation	Felony	July 2004	Two

The defendant is sentenced as provided in pages 2 through 5 of this Judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

It is ordered that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States Attorney of material changes in economic circumstances.

08/24/2010

Date of Imposition of Judgment

/s/ REP  
Robert E. Payne  
Senior United States District Judge

August 31, 2010  
Date

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**Case Number:** 3:10CR00225-01  
**Defendant's Name:** UNIVERSAL LEAF TOBACOS LTDA.

### **PROBATION**

The defendant is hereby placed on probation for a term of THREE (3) YEARS as to each of Counts 1, and 2, all to run concurrently.

#### **STANDARD CONDITIONS OF PROBATION**

The defendant shall not commit another federal, state or local crime during the term of probation.

If this judgment imposes a fine or restitution obligation , it is a condition of probation that the defendant pay any such fine or restitution in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

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**Case Number:** 3:10CR00225-01  
**Defendant's Name:** UNIVERSAL LEAF TOBACOS LTDA.

### **SPECIAL CONDITIONS OF PROBATION**

While on probation, pursuant to this Judgment, the defendant shall also comply with the following additional conditions:

See APPENDIX C AND D attached to this Judgment.

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**Case Number:** 3:10CR00225-01  
**Defendant's Name:** UNIVERSAL LEAF TOBACOS LTDA.

### CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the Schedule of Payments on Sheet 5.

<u>Count</u>	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
One	\$400.00	\$4,400,000.00	\$0.00
Two	\$400.00	(combined with Count 1)	\$0.00
<b>TOTALS:</b>	<b>\$800.00</b>	<b>\$4,400,000.00</b>	<b>\$0.00</b>

The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. Section 3612(f). All of the payment options of Sheet 5 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. Section 3612(g).

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**Defendant's Name:** UNIVERSAL LEAF TOBACOS LTDA.  
**Case Number:** 3:10CR00225-01

### **SCHEDULE OF PAYMENTS**

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties are due as follows:

Lump sum payment of \$4,400,800.00 due immediately.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the Clerk of the Court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Payments shall be applied in the following order: (1) assessment (2) restitution principal (3) restitution interest (4) fine principal (5) fine interest (6) community restitution (7) penalties and (8) costs, including cost of prosecution and court costs.

Nothing in the court's order shall prohibit the collection of any judgment, fine, or special assessment by the United States.

AO 245B (Rev. 12/03)(VAED rev. 2) Sheet 1 - Judgment in a Criminal Case  
Confidential Page

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**Case Number:** 3:10CR00225-01  
**Defendant's Name:** UNIVERSAL LEAF TOBACOS LTDA.

**CONFIDENTIAL**  
**Defendant's Personal Information**

**Social Security Number:** N/A  
**USM Number:** N/A  
**Date Of Birth:** N/A  
**Residence Address:** N/A  
**Mailing Address:** N/A

## APPENDIX C

### INDEPENDENT CORPORATE MONITOR

1. Within sixty (60) calendar days of the execution of (a) the Non-Prosecution Agreement between the Fraud Section, Criminal Division of the United States Department of Justice (“the Fraud Section”) and the United States Attorney’s Office for the Eastern District of Virginia (“USAO”) (collectively referred to as the “Department of Justice” or the “Department”) and Universal Corporation (“Universal” or “the Company”) and (b) the Plea Agreement between the Department and Universal Leaf Tabacos Ltda. (“Universal Brazil”), Universal Corporation, on behalf of itself and its subsidiary Universal Brazil, agrees to engage an independent corporate monitor (the “Monitor”) for a period of three (3) years. The Monitor’s primary responsibility is to assess and monitor the Company’s compliance with the terms of the Non-Prosecution Agreement and the Plea Agreement (collectively referred to as the “Agreements”) so as to specifically address and reduce the risk of the recurrence of misconduct, including evaluating the Company’s corporate compliance program with respect to the Foreign Corrupt Practices Act of 1977 (“FCPA”), as amended, Title 15, United States Code, Section 78dd-1, *et seq.*, and other relevant anti-corruption laws, and making recommendations for improvement. Within thirty (30) calendar days after the signing of the Agreements, and after consultation with the Department, the Company will propose to the Department three candidates to serve as the Monitor. The Monitor candidates shall have, at a minimum, the following qualifications:

- a. demonstrated expertise with respect to the FCPA, including experience counseling on FCPA issues;
- b. experience designing and/or reviewing corporate compliance policies, procedures and internal controls, including FCPA-specific policies, procedures and controls;

c. the ability to access and deploy resources as necessary to discharge the Monitor's duties as described in the Agreements; and

d. sufficient independence from the Company to ensure effective and impartial performance of the Monitor's duties as described in the Agreements.

2. The Department retains the right, in its sole discretion, to choose the Monitor from among the Monitor candidates proposed by the Company. The Monitor's term shall be three (3) years from the date on which the Monitor is approved by the Department, subject to extension or early termination as described in the Non-Prosecution Agreement. The Monitor's duties and authority, and the obligations of the Company with respect to the Monitor and the Department, are set forth below.

3. The Company agrees that it will not employ or be affiliated with the Monitor for a period of not less than one year from the date the Monitor's work has ended.

4. The Monitor will review and evaluate the effectiveness of the Company's internal controls, record-keeping, and existing or new financial reporting policies and procedures as they relate to the Company's compliance with the books and records, internal accounting controls and anti-bribery provisions of the FCPA, and other applicable anti-corruption laws. This review and evaluation shall include an assessment of the policies and procedures as actually implemented. The retention agreement between the Company and the Monitor will reference this Agreement and include this Agreement as an attachment so the Monitor is fully apprised of his or her duties and responsibilities.

5. The Company shall cooperate fully with the Monitor and the Monitor shall have the authority to take such reasonable steps as, in his or her view, may be necessary to be fully informed about the compliance program and operations of the Company within the scope of his

or her responsibilities under this Agreement. To that end, the Company shall provide the Monitor with access to all information, documents, and records that are not subject to protection from disclosure by the attorney-client privilege or the attorney work product doctrine and facilities and/or employees that fall within the scope of responsibilities of the Monitor under this Agreement. In the event that the Company seeks to withhold from the Monitor access to information, documents, records, facilities and/or employees of the Company on grounds that the information, documents, records, facilities and/or employees are protected by the attorney-client privilege or the attorney work product doctrine, the Company shall work cooperatively with the Monitor to resolve the matter to the satisfaction of the Monitor. If the matter cannot be resolved, at the request of the Monitor, the Company shall promptly provide written notice to the Monitor and the Department. Such notice shall include a general description of the nature of the information, documents, records, facilities and/or employees that are being withheld, as well as the basis for the claim.

6. Any disclosure by the Company to the Monitor concerning corrupt payments, related books and records and related internal controls shall not relieve the Company of its obligation truthfully to disclose such matters to the Department

7. The parties agree that the Monitor is an independent third-party, not an employee or agent of the Company or the Department, and that no attorney-client relationship shall be formed between the Company and the Monitor.

8. The Company agrees that:

a. The Monitor shall assess whether the Company's existing policies, procedures, and internal controls are reasonably designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws.

b. The Monitor shall assess, monitor, and evaluate the Company's compliance with the terms of the Agreements.

c. The Monitor shall oversee the Company's implementation of and adherence to all existing, modified or new policies, procedures, or internal controls relating to FCPA compliance, including the minimum policies and procedures set forth in Appendix D.

d. The Monitor shall ensure that the Policies and Procedures are appropriately designed to accomplish their goals.

e. During the three (3) year term, the Monitor shall conduct an initial review and prepare an initial report, followed by two follow-up reviews and reports as described below:

(i) With respect to each of the three (3) reviews, after initial consultations with the Company and the Department, the Monitor shall prepare a written work plan for each review, which shall be submitted at least sixty (60) days in advance to the Company and the Department for comment. In order to conduct an effective initial review and to understand fully any existing deficiencies in the existing policies, procedures, and internal controls related to the FCPA and other applicable anti-corruption laws, the Monitor's initial work plan shall include such steps as are reasonably necessary to develop an understanding of the facts and circumstances surrounding any violations that may have occurred, but the parties do not intend that the Monitor will conduct his or her own inquiry into those historical events. Any disputes between the Company and the Monitor with respect to the work plan shall be decided by the Department in its sole discretion.

(ii) In connection with the initial review, the Monitor shall issue a written report within one hundred twenty (120) calendar days of the engagement of the Monitor setting forth the Monitor's assessment and, if appropriate and necessary, making

recommendations reasonably designed to improve the Policies and Procedures of the Company for ensuring compliance with the FCPA and other applicable anti-corruption laws. The Monitor shall provide the report to the Board of Directors of the Company and contemporaneously transmit copies to Deputy Chief, FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Ave., N.W., Bond Building, Fourth Floor, Washington, DC 20005. The Monitor may extend the time period for issuance of the report with prior written approval of the Department.

(iii) Within one-hundred twenty (120) calendar days after receiving the Monitor's report, the Company shall adopt the recommendations set forth in the report; provided, however, that within sixty (60) calendar days after receiving the report, the Company shall advise the Monitor and the Department in writing of any recommendations that the Company considers unduly burdensome, impractical, costly or otherwise inadvisable. With respect to any recommendation that the Company considers unduly burdensome, impractical, costly or otherwise inadvisable, the Company need not adopt that recommendation within that one-hundred twenty (120) calendar day period; instead, the Company may propose in writing an alternative policy, procedure or system designed to achieve the same objective or purpose. As to any recommendation on which the Company and the Monitor ultimately do not agree, the views of the Company and the Monitor shall promptly be brought to the attention of the Department. Any disputes between the Company and the Monitor with respect to the recommendations shall be decided by the Department in its sole discretion. The Department may consider the Monitor's recommendation and the Company's reasons for not adopting the recommendation in determining whether the Company has fully complied with its obligations under this Agreement.

(iv) The Monitor shall undertake two follow-up reviews to further monitor and assess whether the policies and procedures of the Company are reasonably designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws.

(v) Within sixty (60) calendar days of initiating each follow-up review, the Monitor shall: (A) complete the review; (B) certify whether the anti-bribery compliance program of the Company, including the policies and procedures, is appropriately designed and implemented to prevent and detect violations of the FCPA and other applicable anti-corruption laws; and (C) report on the Monitor's findings in the same fashion as with respect to the initial review.

(vi) The first follow-up review and report shall be completed by one year after the completion of the initial review. The second follow-up review and report shall be completed by one year after the completion of the first follow-up review.

(vii) The Monitor may extend the time period for submission of the follow-up reports with prior written approval of the Department.

9. In undertaking the assessments and reviews described above, the Monitor shall formulate conclusions based on, among other things: (a) inspection of relevant documents, including the policies and procedures relating to the Company's anti-corruption compliance program; (b) onsite observation of the Company's policies, procedures, and internal controls; (c) meetings with, and interviews of, relevant employees, directors and other persons at mutually convenient times and places; and (d) analyses, studies and testing of the Company's anti-corruption compliance program.

10. Should the Monitor, during the course of his or her engagement, discover credible evidence that questionable or corrupt payments or questionable or corrupt transfers of property

or interests may have been offered, promised, paid or authorized by any Company entity or person, or any entity or person working directly or indirectly for the Company, which could potentially violate the FCPA or other applicable anti-corruption laws, or that related false books and records have been maintained, the Monitor shall promptly report such conduct to the Company's General Counsel, its Compliance Committee, and its outside counsel for further investigation, unless the Monitor believes, in the exercise of his or her discretion, that such disclosure should be made directly to the Department. If the Monitor refers the matter only to the Company's General Counsel, its Compliance Committee, and its outside counsel, the Company shall promptly report the same to the Department and contemporaneously notify the Monitor that such report has been made. If the Company fails to make disclosure to the Department within ten (10) calendar days of the Monitor's report of such conduct to the Company, the Monitor shall independently disclose his or her findings to the Department at the address listed in Paragraph 8(e)(ii) above. Further, in the event that the Company, or any entity or person working directly or indirectly for the Company, refuses to provide information necessary for the performance of the Monitor's responsibilities, the Monitor shall promptly disclose that fact to the Department. The Company shall not take any action to retaliate against the Monitor for any such disclosures or for any other reason. The Monitor may report other criminal or regulatory violations discovered in the course of performing his or her duties, in the same manner as described above.

11. At least annually, and more frequently if appropriate, representatives of the Company and the Department will meet together to discuss the monitorship and any suggestions, comments or proposals for improvement the Company may wish to discuss with the Department.

## APPENDIX D

### CORPORATE COMPLIANCE PROGRAM

In order to address potential deficiencies in Universal Corporation's 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, Universal Corporation (referred to as the "Company"), on behalf of itself and its wholly owned subsidiaries, including Universal Brazil, agrees to continue to conduct, in a manner consistent with all of the obligations under this Agreement, appropriate reviews of existing policies, procedures, and internal controls.

Where appropriate, the Company agrees to adopt new or modify existing policies, procedures, and internal controls in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that the Company 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 ought not be limited to, the following elements:

1. A clearly articulated corporate policy against violations of the FCPA and other applicable anti-corruption laws.
2. A system of financial and accounting procedures, including a system of internal accounting controls, designed to ensure the maintenance of fair and accurate books, records and accounts.
3. Promulgation of a compliance code, standards and procedures designed to reduce the prospect of violations of the FCPA, other applicable anti-corruption laws, and the Company's compliance code. These standards and procedures should apply to all directors, officers, and

employees and, where necessary and appropriate, outside parties acting on behalf of the Company in a foreign jurisdiction, including agents, consultants, representatives, distributors, teaming partners, and joint venture partners (collectively referred to as “agents and business partners”).

4. The assignment of responsibility to one or more senior corporate officials of the Company for the implementation and oversight of compliance with policies, procedures, and internal controls regarding the FCPA and other applicable anti-corruption laws. Such corporate official(s) shall have the authority to report matters directly to the Audit Committee of the Board of Directors of the Company.

5. Mechanisms designed to ensure that the Company’s policies, procedures, and internal controls regarding the FCPA and other applicable anti-corruption laws are effectively communicated to all directors, officers, and, where necessary and appropriate, employees agents and business partners. This should include: (a) periodic training for all directors and officers and, where necessary and appropriate, employees, agents, and business partners; and (b) annual certifications with regard to this training by all directors and officers and, where necessary and appropriate, employees, agents, and business partners.

6. An effective system for reporting suspected criminal conduct and/or violations of the compliance policies, procedures, and internal controls regarding the FCPA and other applicable anti-corruption laws for directors, officers, and, where necessary and appropriate, employees, agents, and business partners.

7. Appropriate disciplinary procedures to address, among other things, violations of the FCPA, other applicable anti-corruption laws, and the Company's compliance code, standards and procedures by the Company's directors, officers, and employees.

8. Appropriate due diligence requirements pertaining to the retention and oversight of agents and business partners.

9. Where necessary and appropriate, standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the FCPA and other applicable anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the FCPA and other applicable 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 violation of anti-corruption laws or breach of representations and undertakings related to such matters.

10. Periodic testing of the Company's policies, procedures, and internal controls designed to evaluate their effectiveness in detecting and reducing violations of anti-corruption laws and the Company's applicable compliance code, policies, and procedures.