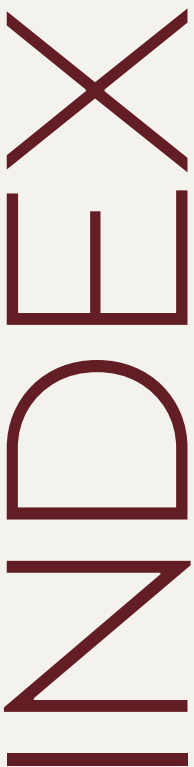




CODE OF ETHICS

Premium Tabacos do Brasil



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1.HIGH ADMINISTRATION'S MESSAGE

Premium Tabacos do Brasil, in its decades of history, has become one of the most important tobacco merchants in the market. Since the beginning, the goal was to have a differential market position, attending all clients, from small to big multinational groups, through an efficient and competitive organization, with the commitment to develop deals guided by ethics and integrity.

Premium Tabacos' Code of Ethics presents the fundamental ethical principles, based on our values, that can guide the actions and conduct in any situation where possible ethical conflicts may emerge in our daily routines.

This document has the goal of being a formal and institutional reference for personal and professional conduct to everybody in Premium Tabacos, with no distinction of hierarchy, area or function executed as a pattern for relationships and business in an ethical, transparent, professional, and mutually respected way. The guidelines of this Code must be a part of our day-to-day and our decision-making process, regardless of where we are or what we are doing.

All of us support and must compromise to the guidelines contained in the Premium Tabacos' Code of Ethics, encouraging, and promoting an ethical culture as it will be detailed along the pages of this document.

Adilson Paulo Schaefer
General Director

Eduardo Beckenkamp
Operational Director

Erasmio Moura
Financial Director

Valdir Pedro
Leaf Production Director



2. CODE OF ETHICS PRESENTATION

Scope

The established guidelines of this Code guide our relationships with all the public that composes our business environment. Are involved, applied, and must be respected integrally by, but not limited to:

- Employees, temporary or not (including managers, directors, no exceptions or hierarchy distinct areas or exercised functions);
- Advisers, shareholders; and
- All third parties that play roles or functions on behalf of Premium Tabacos do Brasil.

For purposes of this code, it is considered third parties: service providers and suppliers.

For purposes of this code, it is considered related parties: third parties and shareholders.

Ethical principles

Our principles are reasoned by ethics, honesty, integrity, and transparency, and must be applied and considered in all decisions and actions taken. Therefore, we are committed to:

- Respect life, all human beings, and the environment;
- Act in a responsible manner, always guided by honesty, dignity, respect, loyalty, decency, zeal, efficacy, transparency, and consciousness of ethical principles;
- Search increasing levels of competitiveness and rentability in a sustainable way;
- Communicate truthful information, internally or externally, aiming a transparent and respectful relation with its stakeholders;
- Respect the employees and related parties' private lives as a personal matter, as long as their activities don't jeopardize the image or interests of Premium Tabacos;
- Appreciate a work environment with no abuse of power, privilege or preferences relying on its role, function, activity, facility, position, and influence.
- Promote managing practices that strengthen motivation, satisfaction, and commitment on employees and related parties with coherence between practice and speech;
- Comprehend mistakes as learning sources, making opportunities to eliminate causes, and avoiding their repetition.





Leadership by Example

Nossos líderes assumem o papel de simplificadores da compreensão e disseminadores das normas e princípios expostos no Código de Ética da Premium.

Sendo assim, nossos líderes devem assumir as seguintes responsabilidades adicionais:

- Being a model of respect when leading by example, manifesting the commitment with ethics and integrity in practice and in speech;
- Being open and available to honest, clear and objective dialogue with their teams and orient, raise awareness, and encourage them to follow Premium Tabacos ethical principles and values;
- Consider values, rules, policies, and integrity procedures in their goals and orientations to the subordinated team;
- Being responsible to clear doubts about the application of the Code of Ethics and, when necessary, consult the Ethics Committee;
- Being emphatic about the non-tolerance of commitments that run counter to Premium Tabacos principles or that are damaging to the Code of Ethics;
- Promote a work environment in which all have freedom to report conduct diversions without the concern of complainants' retaliation.

3. ETHICAL CONDUCT GUIDELINES



Respect Towards People

We reach for the best global results, maintaining a transparent, respectful, educated, cooperating, trusting, and collaborative attitude towards colleagues and stakeholders. We promote a work environment that is ethical, safe, and healthy to all, acting in a polite manner, with willingness, loyalty, open communication, and attention to all people that we might relate to.

We respect every person's individuality and don't admit any kind of discrimination regarding race, color, ethnicity, origin, special needs, gender, age, sexual orientation, gender identity, marital status, appearance, opinion, political conviction, social status, or any other type of prejudice.

Human, political, and labor rights are respected and any kind of demeaning work (child, forced, compulsory, slave like conditions etc.) that don't respect the safety and health conditions or promote human traffic are repudiated.

Harassment

Premium repudiates and fights any act of harassment, being this moral, sexual, or bullying.

We don't tolerate sexual harassment or any kind of disrespectful or uncomfortable sexual oriented behavior. Acts or speeches that may be characterized as sexual harassment, such as propositions or verbal, signal or physical insinuations are prohibited.

While not considered as harassment, we disapprove any kind of physical, verbal or psychological violence, injustice, constraint, intimidation, threat, humiliation, false statement, humiliating treatment or equivalent behavior.

We have the duty to counter such acts, as well as report possible harassers. Any noted situation, real or potential, of abuse or harassment must be reported to Premium Tabacos Grievance Mechanism.

Use of Alcohol and Drugs

We value life and consider that the use of illegal drugs or abusive use of alcoholic beverages compromise people's health. Consequently, we recurrently make campaigns to prevent the use of drugs and alcohol.

It is not allowed to act on the influence of alcohol or illegal drugs, as well as consuming, offering or carrying such substances at the workplace and during the performance of our activities.

Smoking is only allowed in the permitted external areas.

Weapon carrying

It's prohibited to carry any kind of weapon in the company premises and during the performance of activities, except qualified and duly authorized professionals.

Development and Professional Opportunities

We offer equality on professional development and on opportunity offers, based on meritocracy, effort, potential, and competence. We encourage and prioritize internal recruitment campaigns for employees, the possibility to get a permanent position for those who are in temporary contracts, and our employee's professional recommendations, through evaluation and adaptations.

We promote the manifestation of ideas, when aligned with the Premium's goals, and we value the sharing of knowledge and experiences, always looking for the enhancement of our technical capacities, methods, and processes.

Occupational Health and Safety

The health, well-being, safety, and physical integrity of all must be protected and considered as a priority in all personal interaction and decision-making processes.

Risks towards people's health and safety are not tolerated, following law established occupational safety rules. Therefore, we must always be aware of the following:

- Physical integrity of our installations and equipment, aiming the minimization of possible accident risks. Thus, any situation that threatens the physical integrity or that may cause accidents, must be informed;
- The company is obligated to provide individual and collective protection equipment, as well as enable the employees and related parties to correctly use them;
- Correct storing, handling and application of pesticides and packaging disposal;
- Actions towards preventing pesticides related accidents.

Conflict of interest

Conflict of interest occurs when an employee prioritizes personal, financial, social or political interests to the detriment of Premium's interests.

To avoid incidents of conflict of interest, all employees, advisors, and shareholders must make impartial decisions and respect the following guidelines:

- Must not involve themselves in any activity that conflicts with Premium Tabacos' business interests;
- Must not involve themselves in any professional activity that conflicts with Premium's work schedule;
- Must not make use of information that are accessible to them due to their role or function, in order to obtain personal advantages for relatives or third parties;
- Must not commercialize any kind of product or service in the company premises.

Kinships up to third degree* between permanent employees must be communicated to the immediate manager and are entitled to the Ethics Committee approval. Through a signed commitment agreement, the responsibility must be taken to avoid any sort of conflict of interest or illicit advantage due to the kinship.

**For purposes of this code, it is considered a third-degree kinship: parents, children, siblings, grandparents, great grandparents, grandchildren, great grandchildren, nephews, nieces, cousins, spouses, in-laws, stepparents, or stepchildren.*

Prizes, gifts, hospitality, and entertainment

The offering and receiving of prizes, gifts, hospitality, and entertainment is a common practice in commercial relationships that demands caution to not be characterized as a bribe. In that manner, such courtesies may be offered and received with the appropriate frequency and as long as assured of the following aspects:

- Gifts, hospitality, and entertainment offered to and received by the public must not surpass the corresponding price of ¼ (one quarter) of the current minimum wage (BR R\$). Exceptions to this rule must be individually evaluated by the Ethics Committee and may be accepted once approved by the Committee.
- Not affect the employees' and related parties' judgment or cause conflict of interest and/or differential treatment towards work performance.
- It is not allowed to receive or offer cash or equivalent courtesies (bank transfer, checks, gift cards).

To public officials, it's prohibited to offer any kind of prize, gift, hospitality, and entertainment.

Prizes: items that (i) do not have commercial value, distributed as a form of courtesy, brand advertising, institutional relationship or due to events and commemorative dates of historical or cultural nature (ii) that display the logo of the legal entity that provided it and (iii) that is of general aspect, therefore, not destined to award somebody specifically.

Gifts: items that do not fit in the category of prizes, for reasons of (i) added value, (ii) absence of logo or (iii) being designed/personalized for a specific person.

Hospitality: situations where there might be the offering of plane tickets, land transportation, meals, accommodation, participation in events or technical and business conferences as part of a commercial relationship.

Entertainment: activities or events that have as their primary goal to provide leisure to its attendees, such as parties, shows and sports events.

Sponsorships and donations

Sponsorships and donations are allowed, as long as they are aligned with Premium's values, goals and positioning strategies, do not represent risk to our image and reputation, and are approved by the board of directors.

It is unacceptable to use sponsorships and donations as a way of business retention or acquisition, or favor exchange or wrongful advantages to one of the parties.

It should be noted that the recipients are required to be legal entities, entitled to due-diligence investigations, and to not be related to projects involved in illegal activities.

Premium does not, directly or indirectly, make donations to politicians, elective offices' candidates, government agencies or public exposed people.

Accounting entries and reports

Premium Tabacos' accounting and financial entries must respect the internal controls and guarantee the reliability and precise reflection of Premium's transactions and expenses, related to the nature and extension, in accordance with the anti-corruption laws and the best practices. For this purpose, the records must be detailed and complete, in addition to allowing the monitoring of expenses and incomes, facilitating illicit acts detection.

The identification of atypical transactions or income, or changes in the pattern of expenses are signs of attention. Therefore, the proper monitoring must be done and any alteration, dissimulation, hiding, or omission of accounting entries must be reported.

Information safety and intellectual property

We preserve the privacy, integrity, and reliability of Premium's information. Thus, we are responsible to proceed the following safety guidelines:

- Confidential information must be used exclusively to professional activities, without any personal advantage or dissemination to unauthorized people, being those in physical, electronic or verbal format, such as agreed by the Statement of Responsibility and Reliability of Information and Use of Corporate Means of Communication;
- Strategic, confidential, or secretive nature information must not be disclosed;
- Softwares must not be installed in company's hardwares without the board of director's approval;
- Computers and the internet provider must not be used for private activities during work hours, including the access to social networks and inappropriate websites;
- Messages containing inappropriate content must not be disseminated through corporate emails and devices;
- Threads, spams or unprofessional messages must not be forwarded;
- Passwords must be considered of personal access and not transferable, thus, must be protected and not be shared;
- Emails and messages recipients must be observed, to avoid the improper sharing of confidential information;
- Confidential information must be protected with ethical responsibility even after the closure of the attachment to Premium Tabacos;
- Removable storage hardwares must not be used, such as pen drives and other USB portals accessories;
- Documents must not be shared with external personnel, except when properly authorized by Premium's licensed sphere, always enlightening the action's purpose;
- Commentaries regarding the business must be done cautiously when made in public places and in the presence of other people, including friends and family;
- Safe systems provided by Premium must be prioritized when sharing documents in order to fill in the company's forms (RG), avoiding the use of internal networks.

Company's assets

During the performance of our activities, we preserve the company's assets, considering equipment, materials, strategic and technological information.

We ensure the efficient and lean use of Premium's material, technical and financial resources, in addition to not making use of those to attend personal interests.

Data protection

We comply with current laws, norms, and regulations requirements, guaranteeing the protection and privacy of Premium's, its employees', and related parties', personal and sensitive data.

Social and Environmental Responsibility

In our relation to the community, we pursue actions that target the exercise of citizenship, improvement, and development of life conditions within the communities in which we have activities on, contributing to society's health and well-being.

We work to promote agricultural diversifying programs that reduce the dependency of tobacco as a form of subsistence to farmers, improving their general economic situation.

We strictly follow the norms that prohibit child and adolescent labor in the tobacco leaf growth economic activity, during all its phases, as well as the non-exposure of children, adolescents, elderly, and pregnant to pesticides during their application and handling. Also, we do not allow the circulation of people under the age of eighteen within the company premises, prohibiting their labor in tobacco processing activities, as an employee or a third party.

We prevent pollution by optimizing our processes through the rational use of natural resources and residual management. We adopt sustainable and responsible environmental practices, pursuing the minimization or elimination of impacts that are induced by our operations, complying with current laws, norms and regulations about environmental aspects that are relevant to our activities, and encouraging third parties to have the equivalent responsibility.

We cherish and aid towards the adoption of good agricultural practices that are related to the production, crop, storage and trading of tobacco, including soil conservation, cultural diversification, reforestation, seeds, fertilizers, agrochemical application and non-tobacco related material.

We are engaged to raise awareness and comprehension between our employees and related parties regarding topics related to climate and climate change. In addition, we compromise to introduce Green House Gass (GHG) reduction practices in all Premium's operations, consequently contributing for the climate change control.

4. COMMITMENT IN RELATIONSHIPS



Client Relations

We commit to attend the pattern and quality standards previously established with our clients and the applicable regulations.

We prioritize a long-term relation with our clients and act in order to:

- Contribute to the improvement of commercial relationships with clients, promptly identifying and attending their needs, always in accordance to the Consumer Defense Code;
- Treat all our clients equally and impartially, with respect, commitment, efficiency, efficacy, transparency, and agility;
- Not offer or receive privileges or advantages that conflict with Premium's interests or that may interfere with the conclusion or modification of a sale;
- Treat our client's information with caution and confidentiality, prohibiting its dissemination, when not properly authorized by the respective client or by judicial mandate

Third Party Relations

We aim for all third-party deals to be attended to, regarding quantity, quality, deadline, price, and applicable legislation and regulations to their business, as well as respecting Premium's Code of Ethics safety norms.

Therefore, third parties must go through processes of contract and evaluation by clear conditions and without discrimination:

- All decisions must be based on technical and economic aspects, not being allowed to have any type of advantage, corruption practice or any other harmful acts towards Public Administration;
- Premium does not contract third parties that are involved with child, slave, slave-like, or any other degrading labor that hurts the employees' rights established by law.

Relations with Farmers

We pursue, along our integrated farmers, the elevation of the tobacco's quality standard required by the market. We are dedicated to produce in large scales and high quality, seeking benefits for the entire tobacco production chain, reducing the costs to farmers, improving productivity, and promoting environment sustainability.

We orient the farmers to intervene as little as possible in the environment to maintain and preserve the fauna and flora, through the protection of streams, vegetation, microorganisms, and forests. For this purpose, we actively promote the use of biopesticides, and risk reduced compounds.

Relations with Competitors

In the exercise of our activities, we respect the free competition according to the current antitrust laws. We practice fair and transparent competition with the tobacco market competitors and promote actions to avoid anti-competitive practices.

We do not comment about the competitors' operation or their products' quality and development, being always ruled by honesty and respect.

We do not discuss business strategic matters or confidential information, such as prices, cost, and commercial plans with our competitors.

International Trade

We are committed to guarantee compliance in all exportation transaction activities, respecting current sanctions and exportation controlling regimes.

Illegal trade

Our business practices must assure the legitimate trade of products, preventing any involvement or support to illegal trade of our products, including illicit trade of smuggled or counterfeit products.

Public sector and anti-corruption principles

Premium Tabacos has zero tolerance towards corruption and fraud on the part of their employees and related parties.

We do not practice bribery or cession of any other irregular privilege towards third parties, direct or indirectly.

In accordance with the 12.846/13 Brazilian Anti-corruption Law, it is unacceptable to:

- Offer, promote, pay or authorize payments, distribute or agree to distribute gifts, prizes, products, favors or entertainment to any person or entity, public or private, or related to it, with the goal of obtaining advantages in decisions or use influence to maintain business deals;
- Conflict of interest in public administration relations, including the hiring of public officials and their family members;
- Promote, offer, or give, direct or indirectly, wrongful advantages to public officials or anyone related to them.

The interaction with the public sector must be guided by honesty, integrity and compliance during the execution of activities on behalf of Premium. In addition to the cooperation with occasional investigations and inspections made by public bodies, entities, or agents.

The Premium Tabacos do Brasil Grievance Mechanism must be utilized to report corruption acts, fraud and other related irregularities foreseen in the 12.846/13 Anti-corruption Law.

Money Laundering Prevention

We adopt practices based on the promotion of our business integrity and by the prevention and combat of any form of wrongful advantage exchange, fraud, money laundering and other conflict of interests.

We must guarantee that our operation does not violate the anti money laundering laws, and for that reason, we pay close attention to regional, state and national legislations, only making licit transactions.

Our operation is ruled by ethics, honesty, integrity and transparency. Therefore, we must look for the following warning signs, but not be limited by them:

- Buying requests that are not related to the business partner's regular commercial activities;
- Payment requests in cash or other unusual methods;
- Unusual transference requests from different countries or entities that are not related to a transaction.

Any suspicion of money laundering characterized activities must be immediately reported to Premium Tabacos do Brasil Grievance Mechanism

Class entities

We maintain a respectful relationship with the unions and do not practice any type of discrimination towards unionized employees.

Press and Social Networks

Regarding Premium's media announcements:

- Any publication or promotion through media, as well as corporate social network managing, must be performed by the Communications Counseling Department.
- We cherish the good brand image and reputation that we have acquired within the market. We do not make statements about strategic information, except when those are specifically authorized by the directors' board.

Concerning the employees and related parties' responsibilities regarding press and social networks:

- The use of social networks by our employees and related parties must be done cautiously and carefully. Publications on social networks, especially when connected to the job or to Premium, are allowed as long as they are aligned with the values and ethical principles presented in Premium's Code of Ethics and that the opinions are shared in a personal matter, and do not impact or relate to the work environment or performed activities, otherwise, must be reported.
- We do not discourage the promotion and citation of Premium on social networks. However, we orient that those be guided by good judgment and authorized by the Communications Counseling Department.
- We must report any kind of misleading and fraudulent advertisement, fake news or any identified interaction related to improper actions involving Premium's image and products, within press and social networks.

5. RESPONSIBILITY TO REPORT CONDUCT DEVIATIONS

Report to the Premium Tabacos do Brasil

All employees and related parties have the responsibility to certify the following of the guidelines presented on the Premium's Code of Ethics, the policies, internal procedures, and current legislations and to report violation situations through the following means of communication:



Email: premiumbrazil@relatoconfidencial.com.br



Website: relatoconfidencial.com.br/premiumtabacos/index_en.html



Phone: [0800 721 2753](tel:08007212753)

Premium Tabacos Grievance Mechanism

The Premium Tabacos do Brasil Grievance Mechanism is operated by an independent external and specialized company, that is opened to internal and external publics, ensuring the anonymity, secrecy, or identification options. It may be used to report money laundering, corruption, fraud, and other irregularities predicted by the 12.846/13 Brazilian Anti-corruption Law, as well as conduct and integrity related deviations.

Every report received is properly treated and ascertained as established in the confidentiality rules, and the reporter has access to the guidelines.

The Grievance Mechanism must be used in an ethical and responsible way. Thus, false, negligent, destined to harm the employees or related parties' reports are prohibited.

In cases of verification of proceeding reports, the offenders are entitled to disciplinary and judicial measures, proposed and recommended by the Ethics Committee, regardless of who is concerned (employees or related parties) or its hierarchy level (including members of Premium's high administration).



Ethics Committee

Premium's Ethics Committee is responsible to supervise the receiving, verification and treatment of reports that come through Premium Tabacos do Brasil Grievance Mechanism, guaranteeing the independence, impartiality and safety of the parties involved. When the report's precedence is confirmed, it is up to the Ethics Committee to define the disciplinary measure to be taken.

Non-retaliation

The well intended reporter will always be protected against any kind of retaliation and have its identity secreted.

We do not tolerate or admit any kind of reprisal or intimidation towards reporters. In case this occurs, we encourage the reporting of it through Premium Tabacos do Brasil Grievance Mechanism.



PREMIUM

TABACOS DO BRASIL