

CODE OF CONDUCT

PASCHOALIN

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Code of Business Conduct

Paschoalin

1.0 Purpose and Scope

1.1 Purpose

The purpose of this procedure is to define the ethical guidelines of PASCHOALIN.

1.2 Scope

This procedure applies to all businesses in PASCHOALIN (the "Group"), as well as Directors of the Board and employees including agents, representatives and consultants acting on behalf of the Group.

2.0 Responsibility & Authority

Regional Managers are responsible to ensure that all employees are aware of and understand this procedure. It is advisable that this process is documented.

3.0 Introduction

This Code of Business Conduct (the "Code") outlining PASCHOALIN's ethical guidelines is by the Board of Directors and the senior management believed to be as significant contributor to ensure continued long term success.

The Code affirms Paschoalin's commitment to adhere to high ethical standards, and the requirement for all employees to comply with all applicable laws and regulations. Customers, authorities and others should always be able to rely on Paschoalin's professionalism and integrity.

All employees have a duty to read the Code periodically and always comply with it. The Code is supplemental to the employment contracts and to laws and regulations applicable to Paschoalin's businesses.

Paschoalin's Executive Director is responsible for ensuring that the Code governs all business activities of Paschoalin, evaluates the appropriateness of the Code and change it when deemed necessary.

Only the Executive Director has the authority to make exceptions or grant exemptions in relation to the Code.

Employees are encouraged to ask questions and make suggestions regarding the content of the Code.

4.0 General Principles

4.1 Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which this company's ethical standards are built. All employees must respect and comply with applicable laws, rules and regulations of the jurisdictions in which we operate. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. Employees should bring to the attention of appropriate senior management evidence of a material violation of laws, rules or regulations by the company or anyone acting on its behalf. From time to time, the company may hold information and training sessions to promote compliance with laws, rules and regulations, including, among others, applicable securities laws relating to insider trading.

4.2 Human Rights

Paschoalin shall recruit and develop staff based on merit and equal opportunity regardless of race, color, religion, sex, age, national origin, sexual orientation, marital status or disability. Paschoalin shall not use any form of forced labour or child labour. Paschoalin will maintain the freedom of association and the right to collective bargaining. Paschoalin shall comply with internationally recognized labor standards covering the following areas: wages, working hours, disciplinary practices, employment contracts and working conditions. The

above requirements shall also be enforced through contracts with suppliers, business partners, agents etc.

Employees are expected to contribute to an orderly and efficient work environment and the Paschoalin's overall results. Employees should therefore perform their duties to the best of their ability and abstain from any conduct which may have a negative effect on their other colleagues or work environment. The principle of non-discrimination, tolerance and respect for one's fellow workers should guide and underpin behavior accordingly.

4.3 Duty to Inform

Should the employee be aware of any infringement of the Code, he/she shall raise the issue with his/her superior. If this is not possible the employee should report the infringement directly to the Executive Director. No employee will be retaliated for making a good faith report of a suspected violation of the Code.

An employee shall report immediately inform closest superior if he or she gets knowledge of:

- situations not in compliance with applicable laws and regulations set by authorities
- violation of internal regulations
- issues that can damage the Paschoalin's reputation

The employee has a duty to inform the top of his/her closest superior's superior, or the compliance officer if the closest superior is involved in this case at hand.

4.4 Compliance and Internal Control

Paschoalin shall employ the necessary means of internal control in order to monitor that the code is being fully complied with. Business area managers shall on an annual basis affirm in writing to what extent his/her area of responsibility has been conducted in compliance with the Code. Internal control is the responsibility of the senior management.

If in doubt on how to understand and practice the Code, the employee is urged to discuss this with its superior. If this is impossible, the employee shall discuss this with compliance officer.

4.5 Accuracy and retention of business records/accounting and reporting

Paschoalin shall maintain records of accurate and complete company records. All transactions between the group and other parties shall be promptly and accurately posted into the group's book. All forms of financial reporting shall be in accordance with generally accepted accounting practices and principles, and all filing requirements shall be accurately met with regard to timing and content.

5.0 Conflict of Interest

Working for Paschoalin is the full time employee's main occupation. The closest superior shall be informed in writing about paid work outside Paschoalin if such work is significant. The employer can oppose such engagements if it is thought to impact the employee's work in the group, or if Paschoalin's reputation in any way can be affected negatively.

5.1 Positions in Boards

The employees must not have board positions in other businesses that may be perceived to be in conflict with the interests of Paschoalin, such as competitors, customers or suppliers of the group.

5.2 Business Transactions

Employees must not enter into business transactions or supply services for a fee if this could be seen to relate to the employee's tasks or employment in the group.

5.3 Closely Related Parties

Family members (siblings, parents, children, spouses / cohabitants, relatives, parent-in-law or sibling-in-law) ("closely related") shall as a main rule not work as subordinates for the same boss, or in the same department. Closely related parties shall normally not be in positions where they have the possibility to stop, judge, approve, revise, control or in any other way influence on the other's work. Despite the requirement for impartialness and control for closely related parties, the group does not intend to hinder family member's employment in the group. In border line situations the Human Resources Department should be contacted.

5.4 Personal Conflict Awareness

All employees should avoid any action or situation, which may or may appear to involve a conflict of their own personal interests and the interests of the group. Employees should not have any financial or other business relationships with suppliers, customers or competitors that may, or may appear to, influence any decision employees may need to make on behalf of the group.

No employees must take part in or try to influence a decision when a conflict of interest exists.

5.5 Notification to a Superior

An employee shall immediately notify closest superior when he/she becomes aware of a possible conflict of interest.

5.6 In the Event of Disqualification

If a manager or employee is disqualified, the person in questions shall immediately withdraw from the case at hand. When a manager is disqualified, the subordinates shall be as well. An employee, whose manager is disqualified, can prepare cases for the decision-making authority when he/she after a separate evaluation finds himself/herself to be legally qualified.

5.7 Rebate Programme

Employees shall not receive discounts for personal purchases of goods or services from the business partners of the Paschoalin unless part of a rebate programme offered to a larger part of the group's employees (can be geographically limited).

5.8 Entertainment and gifts

Appropriate business entertainment occurring in connection with business discussions or the development of business relationships is generally deemed appropriate in the conduct of official business. These incidentals may include

Business related meals and trips, refreshments before or after a business meeting, and occasional athletic, supporting, theatrical or cultural events.

Entertainment in any form that would or might result in a feeling or expectation of personal obligation should not be extended or accepted. This applies equally to giving or receiving entertainment.

Appropriate entertainment is to be limited in specific amounts determined by the regional guidelines. Travel and / or accommodations offered by suppliers to employees, or Paschoalin for a group of business partners will not be accepted.

No personal gifts should be accepted from a supplier, vendor or customer including government representatives, unless the gift has insignificant value and the refusal of to accept it would be discourteous or otherwise harmful to Paschoalin. This applies equally to offering gifts to suppliers, vendors or customers including government representatives.

If an employee receives such entertainment, benefit or gift with a value exceeding regional limits, or is informed of future receipt of such, the employee shall inform the closest superior in writing. The employee closest superior shall decide whether the employee's independency or the group's integrity is threatened by accepting the gift or if it should be returned, if it already has been received. Special diligence must be shown evaluating entertainment, benefits or gifts relating to the negotiations or which can be seen to be linked to a certain contract or way of behavior from Paschoalin.

What is stated here is equally valid for closely related parties if the gift or entertainment can be seen to be based on the employment or the employee representation.

All costs for gifts and entertainment provide by Paschoalin must be accurately reflected in the group's accounts.

5.9 Purchase of Sexual Services

Paschoalin is strongly against the purchase of sexual service. Purchase of sexual services may support human trafficking. Human trafficking is illegal and a violation of human rights.

The individual must refrain from buying sexual service when on assignment and on a business trip for Paschoalin.

5.10 Loan

Employees or any of their closely related must not receive loan from any of Paschoalin's business partners. Excluded is a loan on regular market rates from a business partner with lending as an integrated part of its business.

6.0 Information and Communication

All statements for the media regarding the group's or another company's affairs shall be given by employee appointed by the Executive Director to speak on behalf of the group. Other employees shall refer the media to the Executive Director. Reference is made to procedure external communication strategy for Paschoalin.

6.1 Protecting Company Property and Confidential Information

To protect confidential information, such information is shared within the group only on a need-to-know basis. Confidential information should be disclosed outside of Paschoalin only when required by law or when part of and necessary for the group's business activities.

Paschoalin has an obligation to protect any confidential information provided to it and its employees by the group's customers, suppliers and others unless otherwise agreed upon.

Employees are expected to protect all assets of the group, and utilize them efficiently to the group's best interest.

6.2 Information and it Systems

No employee in the Paschoalin shall via computer systems or in any other way, actively pursue information concerning other employees, customers or others where this is not necessary for the employee's work.

Competitor analysis should be performed based on information from legitimate sources. Any form of illegal or questionable intelligence gathering is strictly against group policy.

Information produced and stored on the Paschoalin's systems is regarded as the group's property, and the group reserves the right to access all such information except where limited by law or agreement. Employees are responsible for keeping their electronic files and archives in an orderly manner.

Use of information, IT systems and, in particular internet services, shall be governed by the needs of conducting group business and not by personal interests. Any use of software in breach of copyright law is prohibited. Intellectual Property inherent in the Paschoalin represents an important asset from which all stakeholders in the group benefit over time. Unauthorized dissemination of such property is regarded as a serious breach of this code. All employees must safeguard passwords and identification codes to prevent unauthorized access to the Paschoalin's IT systems.

7.0 Compliance with Laws

7.1 Securities Laws Protecting

Employees shall avoid securities transactions based on material non-public information gathered during their employment in the group.

Publicly listed companies are subject to strict rules concerning the handling of information that may affect stock prices. Inside information is any information not

known of the general public which could reasonably be expected to affect the price of a stock. All employees have a responsibility to prevent the access to inside information by unauthorized persons, and furthermore employees and his/her relations or relatives must not trade, directly or indirectly, in securities of publicly listed companies if the employee is in possession of inside information about such companies.

National and foreign law and company policy prohibits informing closely related regarding material, non-public information that employees learn about any publicly traded company in the course of their employment. Penalties apply, regardless of whether the employees derive any benefit from the trade.

7.2 Antitrust laws

Employees, who need to know about antitrust laws by virtue of their position in the group, are expected to comply with all national and foreign antitrust laws.

Formal or informal agreement to competitors that seeks to limit or restrict competition somehow are often illegal. Illicit agreements are including those that: seek to correct or control the prices; products allocate, market or places, or do sabotage of a certain customer or supplier. To ensure that law will be fulfilled, to adopt some issues above, is a ethic code violation.

Formal or informal agreements with competitors that seek to limit or restrict competition in some way are often illegal. Unlawful agreements include those which: seek to fix or control prices; allocate products, markets or territories; or boycott certain customers or suppliers. To ensure compliance with antitrust law, any discussions with competitors which seeks to achieve any of these issues mentioned above, is a violation of the code.

Formal and informal agreements with a competitor to join forces or to act as sub-contractor in a bid for a single contract is accepted in many jurisdictions. However, local legislation must be verified through legal counsel before entering into such agreements.

Certain understandings between a supplier and a customer are also considered anti-competitive and illegal. These include agreements that fix resale prices or include result in discriminatory pricing between customers of the same product. These types of restrictive understandings must not be sought or agreed upon with any supplier or customer.

7.3 Money Laundering

Paschoalin prohibits payments in furtherance of illegal activities such as money laundering and commercial bribery.

8.0 Corruption

Under no circumstances it is acceptable to offer, give, solicit or receive, any form of bribe, kickback, improper or illegal inducement. This applies to the Paschoalin's transaction everywhere, even where corruption is widely considered a way of doing business.

Paschoalin competes on the basis of superior products and services, and competitive prices.

9.0 Agents use

The use of agents may, in some locations, enable the Paschoalin to pursue its business more easily and effectively. An agent must not be used to carry out activities which contravene with the code.

Prior to hiring an agent, the manager concerned should make reasonable efforts to assure himself/herself that the reputation, background and abilities of the agent are appropriate and satisfactory. Payments to agents shall be based on written agreements, be in line with the services rendered (normal commission), and under no circumstances be in advance.

A clause shall be included in the written agreement stating the Paschoalin's position on corruption. The corruption clause shall state that breach of the group's corruption policy will lead to termination of the agreement. In addition, the agent shall by signing this document verify knowledge of and willingness to comply with the code.

10.0 Suppliers

Paschoalin will through planned audit activities also verify the supplier's corporate responsibility performance where applicable.

11.0 Enforcement

Paschoalin will not tolerate any violation or circumvention of any applicable laws by an employee during the course of employment or by any agent or representative acting on the Paschoalin behalf, nor will the group tolerate disrespect or circumvention of Paschoalin policies or the engagement in unethical dealings in connection with the Paschoalin's business.

Employees who fail to comply with this Code of Business Conduct or to cooperate with any investigation will be subject to disciplinary action. In addition, any employee who directs, approves, or condones infractions, or had knowledge of them and does not act promptly to report and correct them in accordance with this Code, will be subject to disciplinary action.

Disciplinary action may include warnings (oral or written), termination of employment, referral for criminal prosecution, and reimbursement for Paschoalin or others for any losses or damage resulting from the violation. If the reporting employee is involved in the Code of Business Conduct violation, the fact that the employee has reported the violation will be given due consideration by Paschoalin in any resulting disciplinary action.