

ANTI-CORRUPTION POLICY

1. Background

In Scandinavian Tobacco Group we are committed to conducting our business in a responsible manner. Corruption and bribery are activities which are contrary to the values of Scandinavian Tobacco Group and which conflict with the law across the world. Bribery and corruption can further lead to severe reputational damage to our group and its employees and may result in criminal charges against both the company and the individuals involved. This anti-corruption policy sets forth guidelines to prevent that Scandinavian Tobacco Group and its employees are involved in any form of bribery or corruption.

2. Policy Statement

It is our policy to conduct all of our business in an honest and responsible manner.

We therefore have a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.

We will implement and enforce systems which aim to effectively counter bribery and corruption to ensure compliance with this policy.

3. Who must comply with this policy?

This policy applies worldwide to all persons working for Scandinavian Tobacco Group A/S or any company controlled directly or indirectly by Scandinavian Tobacco Group A/S (together in this document called "STG") and all persons acting on STG's behalf. This includes employees at all levels, directors, distributors, agents, external consultants and business partners.

4. What is bribery?

4.1. *Bribery* is the offering, giving, accepting or promising of a bribe. All forms of bribery are prohibited.

4.2. A *bribe* is a financial or other inducement or reward for an action (by the recipient or any other person) which is illegal, unethical, a breach of trust or improper in any way. Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit.

4.3. Specifically, you must not:

4.3.1.

give or offer any payment, gift, hospitality or other benefit in the expectation that an

advantage will be received in return, or to reward an advantage already given;

4.3.2.

accept a payment, gift or hospitality or other benefit from a third party that you know or suspect is offered with the expectation that it will provide a business advantage for someone in return;

4.3.3.

accept hospitality from a third party that is unduly excessive under the circumstances;

4.3.4.

offer or accept any payment to or from a government official or representative in order to influence official action or obtain an improper advantage;

4.3.5.

give or offer any payment (sometimes called a facilitation payment) to a government official to facilitate or speed up a routine or necessary procedure;

4.3.6.

threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or

4.3.7.

engage in any other activity that might lead to a breach of this policy.

4.4. If you are in doubt whether a particular act constitutes bribery you should consult your superior.

The restrictions mentioned in Section 4.3 above also apply to the indirect offering, giving and accepting of payments, gifts, hospitality or other benefits, i.e. when such payments etc. are offered, given or received through a third party.

5. Gifts, Hospitality and Entertainment

5.1. This policy does not prohibit the giving or accepting of appropriate gifts, hospitality and the participation in social events for legitimate purposes such as building relationships, maintaining STG's image or promoting STG's products.

5.2. The giving or accepting of gifts is allowed if it is appropriate in the circumstances, taking into account the reason for the gift, its timing and value. Gifts must not include cash or cash equivalents, such as vouchers, or be given in secret. Gifts must be given in STG's name, not your name.

5.3. Gifts are not allowed if they are designed to influence official action or to obtain an improper advantage.

5.4. Any gift, hospitality or participation in social activities must comply with applicable law and STG's policies.

6. Recording

All expense claims relating to hospitality, gifts or payments to third parties shall be recorded properly in accordance with STG's expense and bookkeeping policies and shall record the reason for the expenditure. No payments can be concealed or kept "off the books".

7. How to report

If you are asked to give a bribe or are offered a bribe, please report immediately to your superior, alternatively to STG's Legal & Public Affairs department or follow STG's Whistleblowing Policy.

If you suspect that any STG person or any other person acting for or on behalf of STG may have engaged in any bribery, corruption or any other conduct inconsistent with STG's anti-corruption policy, please report the misconduct to STG's Legal & Public Affairs department or follow STG's Whistleblowing Policy.

Copenhagen, January 2016

Scandinavian Tobacco Group A/S

The Board of Directors

and

The Executive Management