

Anexo XV

**RAND
MERCHANT
BANK**

Facility 1: (Inventory Finance)

Disbursements to Corbiba

Curr	Amount (Capital)	TranDescr	Value Date	Next Interest date	Maturity Date	No of days	Interest Basis	Capital Ref Rate	Capital Margin	All-in-Rate	Interest due	New balance
USD	-896,295.73	New drawdown	29/09/2008	29/10/2008	29/09/2009	30	360	3.97%	3.50%	7.47%	-5,578.51	-901,874.24
USD	-80,000.00	Facility and admin fees	29/09/2008	29/10/2008	29/09/2009	30	360	3.97%	3.50%	7.47%	-497.92	-80,497.92
USD	-14,831.33	Legal fees	29/09/2008	29/10/2008	29/09/2009	30	360	3.97%	3.50%	7.47%	-92.31	-14,923.64
USD	-991,127.06	New balance	29/10/2008	29/10/2008	29/09/2009						-6,168.73	-997,295.79
USD	-6,168.73	Interest capitalised	29/10/2008									
USD	-997,295.79	New balance	29/10/2008	28/11/2008	29/09/2009	30	360	3.17%	3.50%	6.67%	-5,544.34	-1,002,840.13
USD	-1,499,906.27	New drawdown	14/11/2008	28/11/2008	29/09/2009	14	360	1.42%	3.50%	4.92%	-2,871.28	-1,502,777.55
USD	-2,497,202.06	New balance	14/11/2008									
USD	-8,415.62	Interest capitalised	28/11/2008									
USD	-2,505,617.68	Outstanding balance	28/11/2008	29/12/2008	29/09/2009	31	360	1.43%	3.50%	4.93%	-10,639.74	-2,516,257.42
USD	-10,639.74	Interest capitalised	29/12/2008									
USD	-2,516,257.42	Outstanding balance	29/12/2008	29/01/2009	29/09/2009	31	360	0.47%	3.50%	3.97%	-8,604.81	-2,524,862.24
USD	-8,604.81	Interest capitalised	29/01/2009									
USD	-2,524,862.24	Outstanding balance	29/01/2009	02/03/2009	29/09/2009	32	360	0.41%	3.50%	3.91%	-8,773.91	-2,533,636.15
USD	-8,773.91	Interest capitalised	02/03/2009									
USD	-2,533,636.15	Outstanding balance	02/03/2009	02/04/2009	29/09/2009	31	360	0.50%	3.50%	4.00%	-8,718.79	-2,542,354.93
USD	-8,718.79	Interest capitalised	02/04/2009									
USD	-2,542,354.93	Outstanding balance	02/04/2009	02/04/2009	29/09/2009	27	360	0.50%	3.50%	4.00%	-7,628.27	-2,549,983.20
USD	60,071.73	additional repayment	29/04/2009									
USD	-2,482,283.20	Outstanding balance	29/04/2009	04/05/2009	29/09/2009	5	360	0.50%	3.50%	4.00%	-1,379.26	-2,483,662.47
USD	-9,007.53	Interest capitalised	04/05/2009									
USD	-2,491,290.73	Outstanding balance	04/05/2009	04/06/2009	29/09/2009	31	360	0.41%	3.50%	3.91%	-8,397.43	-2,499,688.17
USD	-8,397.43	Interest capitalised	04/06/2009									
USD	-2,499,688.17	Outstanding balance	04/06/2009	02/07/2009	29/09/2009	28	360	0.32%	3.50%	3.82%	-7,424.42	-2,507,112.59
USD	-7,424.42	Interest capitalised	02/07/2009									
USD	-2,484,139.23	Outstanding balance	02/07/2009	03/07/2009	29/09/2009	1	360	0.32%	3.50%	3.82%	-263.51	-2,484,402.73
USD	-2,484,139.23	Outstanding balance	03/07/2009	03/08/2009	29/09/2009	31	360	0.30%	3.50%	3.80%	-8,163.21	-2,499,990.37
USD	-8,163.21	Interest capitalised	03/08/2009									
USD	-2,499,990.37	Outstanding balance	03/08/2009	18/08/2009	29/09/2009	15	360	0.28%	3.50%	3.78%	-3,936.84	-2,503,927.21
USD	590,198.40	additional repayment	18/08/2009									
USD	-1,909,791.97	Outstanding balance	04/09/2009	04/09/2009	29/09/2009	17	360	0.28%	3.50%	3.78%	-3,408.42	-1,913,200.39
USD	-7,345.26	Interest capitalised	04/09/2009									
USD	-1,917,137.22	Outstanding balance	04/09/2009	29/09/2009	29/09/2010	25	360	0.26%	3.50%	3.76%	-5,009.60	-1,922,146.82
USD	-5,009.60	Interest capitalised	29/09/2009									
USD	-1,922,146.82	Outstanding balance	29/09/2009	02/10/2009	29/09/2010	3	360	0.25%	3.50%	3.75%	-600.07	-1,922,746.89
USD	21,219.76	Interest settlement	02/10/2009									
USD	-1,900,927.06	Outstanding balance	02/10/2009	29/10/2009	29/09/2010	27	360	0.25%	3.50%	3.75%	-5,341.01	-1,906,268.08
USD	-5,941.08	Interest capitalised	29/10/2009									
USD	-1,906,868.15	New balance	29/10/2009	06/11/2009	29/09/2010	8	360	0.24%	3.50%	3.74%	-1,586.04	-1,908,454.18
USD	305,000.00	additional repayment	06/11/2009									
USD	-1,601,868.15	Outstanding balance	06/11/2009	30/11/2009	29/09/2010	24	360	0.24%	3.50%	3.74%	-3,997.07	-1,605,865.21
USD	-5,583.11	Interest capitalised	30/11/2009									
USD	-1,607,451.25	New balance	30/11/2009	30/12/2009	29/09/2010	30	360	0.23%	3.50%	3.73%	-4,998.17	-1,612,449.42
USD	-4,998.17	Interest capitalised	30/12/2009									
USD	-1,612,449.42	New balance	29/01/2010	26/02/2010	29/09/2010	28	360	0.50%	3.50%	4.00%	-5,012.88	-1,617,462.30
USD	-5,012.88	Interest capitalised	29/01/2010									
USD	-1,617,462.30	New balance	29/01/2010	18/02/2010	29/09/2010	20	360	0.23%	3.50%	3.73%	-3,350.62	-1,620,812.92
USD	200,000.00	Repayment	18/02/2010									
USD	-1,417,462.30	New balance	18/02/2010	26/02/2010	29/09/2010	8	360	0.23%	3.50%	3.73%	-1,174.53	-1,418,636.83
USD	-4,525.14	Interest capitalised	26/02/2010									
USD	-1,421,987.44	New balance	26/02/2010	30/03/2010	29/09/2010	32	360	0.25%	3.50%	3.75%	-4,736.09	-1,426,723.53
USD	-4,736.09	Interest capitalised	30/03/2010									
USD	-1,426,723.53	New balance	30/03/2010	30/04/2010	29/09/2010	31	360	0.26%	3.50%	3.76%	-4,625.18	-1,431,348.71

USD	-4 625,18	Interest capitalised	30/04/2010	17/05/2010	29/09/2010	17	360	0,35%	3,50%	-2.605,01	-1.433.953,73
USD	-1.431.348,71	New balance	30/04/2010	17/05/2010	29/09/2010	17	360	0,35%	3,50%	-2.605,01	-1.433.953,73
USD	200.000,00	Repayment	17/05/2010	26/05/2010	29/09/2010	9	360	0,35%	3,50%	-1.186,42	-1.232.535,14
USD	-1.231.348,71	New balance	17/05/2010	26/05/2010	29/09/2010	9	360	0,35%	3,50%	-1.186,42	-1.232.535,14
USD	200.000,00	Repayment	26/05/2010	27/05/2010	29/09/2010	1	360	0,35%	3,50%	-110,41	-1.031.459,13
USD	-1.031.348,71	New balance	26/05/2010	27/05/2010	29/09/2010	1	360	0,35%	3,50%	-110,41	-1.031.459,13
USD	-3.901,85	Interest capitalised	27/05/2010	30/06/2010	29/09/2010	34	360	0,35%	3,50%	-3.761,54	-1.039.012,10
USD	-1.035.250,56	New balance	27/05/2010	30/06/2010	29/09/2010	34	360	0,35%	3,50%	-3.761,54	-1.039.012,10
USD	-3.761,54	Interest capitalised	30/06/2010	30/07/2010	29/09/2010	30	360	0,33%	5,00%	-4.610,62	-1.043.622,72
USD	-1.039.012,10	New balance	30/06/2010	30/07/2010	29/09/2010	30	360	0,33%	5,00%	-4.610,62	-1.043.622,72
USD	-4.610,62	Interest capitalised	30/07/2010	20/08/2010	29/09/2010	21	360	0,26%	5,00%	-3.203,13	-1.046.825,85
USD	-1.043.622,72	New balance	30/07/2010	20/08/2010	29/09/2010	21	360	0,26%	5,00%	-3.203,13	-1.046.825,85
USD	250.000,00	Repayment	20/08/2010	27/08/2010	29/09/2010	7	360	0,26%	5,00%	-811,94	-794.434,66
USD	-793.622,72	New balance	20/08/2010	27/08/2010	29/09/2010	7	360	0,26%	5,00%	-811,94	-794.434,66
USD	-4.015,07	Interest capitalised	27/08/2010	21/09/2010	29/09/2010	25	360	0,34%	5,00%	-2.960,59	-800.598,38
USD	-797.637,79	New balance	27/08/2010	21/09/2010	29/09/2010	25	360	0,34%	5,00%	-2.960,59	-800.598,38
USD	200.000,00	Repayment	21/09/2010	30/09/2010	29/09/2010	9	360	0,34%	5,00%	-798,57	-598.436,36
USD	-597.637,79	New balance	21/09/2010	30/09/2010	29/09/2010	9	360	0,34%	5,00%	-798,57	-598.436,36
USD	-3.759,16	Interest capitalised	01/10/2010	01/10/2010	29/09/2010	0	360	0,28%	5,00%	-	-601.397,67
USD	-601.397,67	New balance	01/10/2010	01/10/2010	29/09/2010	0	360	0,28%	5,00%	-	-601.397,67
USD	-2.458,63	Interest capitalised	01/10/2010	29/10/2010	29/09/2010	28	360	0,26%	5,00%	-2.458,63	-603.856,30
USD	200.000,00	Repayment	29/10/2010	15/11/2010	29/09/2010	17	360	0,25%	5,00%	-1.001,23	-404.857,53
USD	-403.856,30	New balance	29/10/2010	15/11/2010	29/09/2010	17	360	0,25%	5,00%	-1.001,23	-404.857,53
USD	200.000,00	Repayment	15/11/2010	29/11/2010	29/09/2010	14	360	0,25%	5,00%	-416,21	-204.272,51
USD	-203.856,30	New balance	15/11/2010	29/11/2010	29/09/2010	14	360	0,25%	5,00%	-416,21	-204.272,51
USD	-1.417,43	Interest capitalised	29/11/2010	30/12/2010	29/09/2010	31	360	0,26%	5,00%	-929,78	-206.203,51
USD	-205.273,73	New balance	29/11/2010	30/12/2010	29/09/2010	31	360	0,26%	5,00%	-929,78	-206.203,51
USD	-929,78	Interest capitalised	30/12/2010	31/01/2011	29/09/2010	32	360	0,26%	5,00%	-964,12	-207.167,63
USD	-206.203,51	New balance	30/12/2010	31/01/2011	29/09/2010	32	360	0,26%	5,00%	-964,12	-207.167,63
USD	-964,12	Interest capitalised	31/01/2011	28/02/2011	29/09/2010	28	360	0,26%	5,00%	-847,55	-208.015,17
USD	-207.167,63	New balance	31/01/2011	28/02/2011	29/09/2010	28	360	0,26%	5,00%	-847,55	-208.015,17
USD	-847,55	Interest capitalised	28/02/2011	17/03/2011	29/09/2010	17	360	0,26%	5,00%	-425	-99,21
USD	-98,96	Legal fees	28/02/2011	17/03/2011	29/09/2010	17	360	0,26%	5,00%	-425	-99,21
USD	-208.114,13	New balance	17/03/2011	30/03/2011	29/09/2010	13	360	0,26%	5,00%	-395,30	-208.509,43
USD	-395,30	Interest capitalised	28/02/2011	30/03/2011	29/09/2010	30	360	0,26%	5,00%	-913,97	-209.423,40
USD	-208.509,43	New balance	30/03/2011	29/04/2011	29/09/2010	30	360	0,26%	5,00%	-913,97	-209.423,40
USD	-913,97	Interest capitalised	29/04/2011	31/05/2011	29/09/2010	32	360	0,21%	5,00%	-969,86	-210.393,26
USD	-209.423,40	New balance	29/04/2011	31/05/2011	29/09/2010	32	360	0,21%	5,00%	-969,86	-210.393,26
USD	-969,86	Interest capitalised	31/05/2011	30/06/2011	29/09/2010	30	360	0,19%	5,00%	-909,95	-211.303,21
USD	-210.393,26	New balance	31/05/2011	30/06/2011	29/09/2010	30	360	0,19%	5,00%	-909,95	-211.303,21
USD	-909,95	Interest capitalised	30/06/2011	30/06/2011	29/09/2010	0	360	0,19%	5,00%	-	-211.303,21
USD	-211.303,21	New balance	30/06/2011	30/06/2011	29/09/2010	0	360	0,19%	5,00%	-	-211.303,21

1/11/08

Execution Version

EXPORT PREPAYMENT FINANCE AGREEMENT

DATED AS OF AUGUST 8, 2008

among

BRASFUMO INDÚSTRIA BRASILEIRA DE FUMO S.A.

as the Borrower,

JUAN ANTONIO BRUNO PERRONI

as the Guarantor,

and

FIRSTRAND (IRELAND) PLC
as the Lender

ALLEN & OVERY

Allen & Overy LLP

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CONTENTS

Section	Page
1. Definitions	1
1.1 Certain Definitions	1
1.2 Other Definitional Provisions	10
2. The Loans	10
2.1 Purpose; Availability; the Loans	10
2.2 Notice of Drawdown; Funding by Lender	11
2.3 Fees	11
2.4 Notes; Lender's Records	11
2.5 Interest on the Loans	12
2.6 Alternative Interest Rate For Libor	12
2.7 Late Payment	12
2.8 Capital Adequacy	12
2.9 Scheduled Repayment	13
2.10 Prepayment	13
2.11 Release of Collateral	14
2.12 Method and Application of Payment	14
2.13 Illegality	15
2.14 Increased Costs	15
2.15 Indemnity	16
2.16 Facility Review	16
3. Representations and Warranties	17
3.1 Corporate Existence, Etc.	17
3.2 No Breach	17
3.3 Authority; Binding Effect	18
3.4 Use of Proceeds	18
3.5 Tax Returns and Payments	18
3.6 Litigation	18
3.7 Absence of Defaults	18
3.8 Governmental Approvals	19
3.9 Financial Condition	19
3.10 Ranking	19
3.11 Proper Form	19
3.12 Choice of Law	20
3.13 Civil Law; No Immunity	20
3.14 Solvency	20
3.15 Environmental Matters	20
3.16 Assets	21
3.17 Completeness and Accuracy of Information	21
3.18 Regulatory Limitations	21
3.19 Insurance	21
3.20 Security Interests	21
3.21 Withholding Taxes	22
3.22 Anti-Terrorism Laws	22
3.23 Subsidiaries	22
4. Conditions of Loans	22

4.1	Documents	22
4.2	Other Conditions	23
5.	Affirmative Covenants	24
6.	Negative Covenants	29
7.	Events of Default	29
8.	Taxes	31
8.1	Taxes	31
8.2	Other Taxes	32
9.	Guaranty	32
9.1	Guaranty	32
9.2	Guaranty Absolute	32
9.3	Effectiveness, Enforcement	33
9.4	Waivers	33
9.5	Subordination	34
9.6	No Marshalling	34
9.7	Representations and Warranties	34
9.8	Nature of Guarantor's Obligations	35
9.9	Additional Security	35
9.10	Set Off	35
9.11	Election of Remedies	35
10.	Miscellaneous	35
10.1	Assignments/Participations by Lender	35
10.2	Parties-in-Interest; Borrower Assignment	36
10.3	Fees and Expenses	36
10.4	Right of Set-Off	36
10.5	Survival of Covenants	36
10.6	Notices	36
10.7	New York Law Contract	38
10.8	Consent to Jurisdiction	38
10.9	Captions	39
10.10	Separate Counterparts	39
10.11	Severability	39
10.12	Consents, Amendments and Waivers	39
10.13	U.S. Dollar Loan Currency	39
10.14	Indemnification	40
10.15	WAIVER OF JURY TRIAL	41
10.16	Survival	41
10.17	Neutral Interpretation	41
10.18	Usury	41
10.19	Acknowledgements	41
10.20	English Language	41
10.21	Confidentiality / US Patriot Act Notice	42
10.22	ENTIRE AGREEMENT	42

Exhibit

A. Subsidiaries

Annex

1. Form of Promissory Note
2. Form of Notice of Drawdown
3. Form of Assignment and Security Agreement
4. Form of Collection Account Pledge Agreement
5. Form of Tobacco Pledge Agreement
6. Form of Officer's Certificate

1
2
3
4
5
6

EXPORT PREPAYMENT FINANCE AGREEMENT

THIS EXPORT PREPAYMENT FINANCE AGREEMENT, dated as of August 8, 2008 (the Execution Date), is executed by and among BRASFUMO INDÚSTRIA BRASILEIRA DE FUMO S.A., a *sociedade anônima* existing under the laws of the Federative Republic of Brazil, with its head office at Av. das Indústrias, 130, City of Venâncio Aires, State of Rio Grande do Sul, 95800-000, Brazil, enrolled with the CNPJ/MF under no. 88.124.383/0001-50 (the Borrower); JUAN ANTONIO BRUNO PERRONI, a Brazilian citizen residing at Rua Cristovão Colombo, 369, Apt. 702, City of Santa Cruz do Sul, State of Rio Grande do Sul, 96825-010, Brazil, enrolled with the Individual Taxpayers Register of the Ministry of Finance under CPF/MF No. 124.521.300-87 (the Guarantor); and FIRSTRAND (IRELAND) PLC, a public limited company organized and existing under the laws of the Republic of Ireland (the Lender).

WHEREAS:

- (A) The Borrower desires to obtain loans in the aggregate principal amount of up to US\$10,000,000, which the Borrower will repay through the proceeds of exports of Processed Tobacco (as defined below).
- (B) The Guarantor is willing to guaranty the obligations of the Borrower to the Lender in respect of the loans made hereunder and to make certain representations, warranties and covenants to the Lender for purposes of inducing it to make the loans to the Borrower and enter into each Loan Document to which it is a party.
- (C) On the basis of the terms and conditions specified in this Agreement, the Lender is willing to make the loan arrangements described herein.

NOW, THEREFORE, the parties hereto hereby agree as follows:

A. DEFINITIONS

1.1 Certain Definitions

Unless otherwise defined above, capitalized terms used in this Agreement shall have the following meanings assigned to them:

Administration Fee means the administration fee in the amount of US\$30,000.

Affiliate means any Person directly or indirectly controlling, controlled by, or under common control with, any other Person. For this purpose, "control" of any Person means ownership of ten percent (10%) or more of the Capital Stock having voting power of the Person or the ability, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

Agreement means this Export Prepayment Finance Agreement, its Annexes, Exhibits and Schedules, as such may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

Anti-Terrorism Laws means any laws relating to terrorism or money laundering, including Executive Order 13224, the Patriot Act, and the regulations administered by OFAC.

Applicable Margin means three point five percent (3.5%).

Assets means, for any Person, all assets of such Person that have been or should be recorded as such in accordance with GAAP.

Assigned Export Contracts means the Export Contracts which (a) comprise part of the U.S. Collateral and (b) are subject to a first priority security interest granted by the Borrower to the Lender in accordance with the terms and conditions of the Assignment and Security Agreement.

Assignment and Security Agreement means the Assignment and Security Agreement of even date herewith between the Lender and the Borrower, in the form and content of Annex 3 hereto, pursuant to which the Borrower grants the Lender a first priority security interest in all of its right, title and interest in the U.S. Collateral.

Borrower has the meaning ascribed to it in the Preamble hereto.

Borrower Excess has the meaning ascribed to it in Section 2.9(c).

Brazil means the Federative Republic of Brazil.

Business Day means a day, other than a Saturday or Sunday, on which commercial banks and other financial institutions are not required or authorized to close in (a) New York, New York, United States of America, (b) São Paulo, Brazil, (c) London, England, (d) Dublin, Ireland or (e) Johannesburg, South Africa.

Capital Stock means any and all shares, quotas, interests, participations or other equivalents (however designated) of capital stock of a legal entity, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.

Change in Control means the failure of the Guarantor at any time to directly own beneficially and of record on a fully diluted basis fifty-one percent (51%) or more of the outstanding Capital Stock of the Borrower, such Capital Stock to be held free and clear of all Liens (other than Liens created under the Security Agreements).

Collateral means all the collateral pledged or assigned or purported to be pledged or assigned pursuant to the Security Agreements.

Collateral Management Agreement means the agreement among the Borrower, the Lender, and the Collateral Manager relating to various matters, including the management of Goods covered by the Tobacco Pledge Agreement.

Collateral Manager means Control Union Warrants Ltda. or any other inspection company identified in the Collateral Management Agreement and acceptable to the Lender.

Collection Account means the Dollar deposit sub-account for the Borrower under the account in the name of FNB International Banking, Specialized Trading Services, bearing account no. 0197726 at First National Bank (a division of FirstRand Bank Limited), Branch Code 255405, SWIFT FIRNZAJJ, (clearing US funds through account 0011749322, in the name of FNB International Banking, Specialized Trading Services, at JPMorgan Chase Bank New York, SWIFT Code CHASUS33, ABA Code 021-000-021).

Collection Account Pledge Agreement means the Collection Account Pledge Agreement of even date herewith between the Borrower and the Lender, substantially in the form and content of Annex 4 hereto.

Commitment Fee has the meaning ascribed to it in Section 2.3.

Credit Default Insurance means the Borrower's or the Unapproved Off-taker's credit default insurance policy, which shall (a) cover the Market Value of the Processed Tobacco and any other amounts due to the Borrower by the relevant Unapproved Off-taker under the relevant Export Contract, (b) be written by a reputable insurer acceptable to the Lender, in its sole discretion, and (c) appoint the Lender as the sole loss-payee under the terms thereof.

Default means an Event of Default or an event or condition that, but for the requirement that time elapse, notice be given, or a determination be made hereunder, or any combination thereof, would constitute an Event of Default.

Dollars, U.S. Dollars and the designation **US\$** each means the lawful currency of the United States of America.

Drawdown means the crediting by the Lender of the principal amount of each Loan to the Borrower's account indicated in the relevant Notice of Drawdown and in accordance with the terms and conditions of this Agreement.

Drawdown Date means the date of each Drawdown.

Eligible Off-taker means each purchaser of Processed Tobacco from the Borrower that (a) has been accepted in advance by the Lender, in its sole discretion, or (b) is an Unapproved Off-taker for which a Credit Default Insurance has been obtained and is in full force and effect; and such Person is, in either case, (i) located outside of Brazil; (ii) not an Affiliate or a Subsidiary of the Borrower; and (iii) not located in any country on the list of sanctioned countries maintained by the OFAC.

Environmental Laws means any and all national, state, provincial or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees or requirements of any Governmental Authority relating to or imposing liability or standards of conduct concerning pollution or protection of human health or the environment, as now or may at any time hereafter be in effect.

Event of Default has the meaning ascribed to it in Section 7.

Execution Date has the meaning ascribed to it in the Preamble hereto.

Export Contract means any export contract or purchase order accepted by the Borrower in form and substance acceptable to the Lender and requiring the Borrower to (a) sell and deliver and the Eligible Off-taker to purchase a fixed or minimum quantity of Processed Tobacco (subject to standard commercial tolerances) on the prescribed delivery dates or periods acceptable to the Lender, and (b) deliver the Processed Tobacco FOB (Free on Board) in a Brazilian port.

Export Receivables means all valid and enforceable accounts receivable payable by the Eligible Off-takers in Dollars and arising from the sale of Processed Tobacco by the Borrower to the Eligible Off-takers pursuant to the Assigned Export Contracts.

Facility Amount means US\$10,000,000.

Facility Fee means the facility fee in the amount of US\$100,000.

Facility Year means the First Year, Second Year or Third Year, as applicable.

Final Maturity Date means June 30, 2009 for Loans made during the First Year and, if the Loans are reborrowed in accordance with Section 2.16, then thereafter "Final Maturity Date" shall mean June 30, 2010 for Loans made during the Second Year and June 30, 2011 for Loans made during the Third Year. In the event that the Final Maturity Date shall be a day that is not a Business Day, then the Final Maturity Date shall be the most immediately preceding day that is a Business Day.

Financial Statements has the meaning ascribed to it in Section 3.9.

First Year means the period from the Execution Date to November 30, 2008.

GAAP means, with respect to any Person, the generally accepted accounting principles (as in effect from time to time) applicable to it in Brazil, as reflected in such Person's audited financial statements and as consistently applied during a relevant period.

Goods mean Green Tobacco and/or Processed Tobacco.

Governing Documents of any Person means the charter and by-laws, articles of incorporation or other organizational or governing documents of such Person (but excluding shareholders agreements relating to such Person).

Governmental Approval means any consent, license, approval, order, authorization, exemption, registration, filing, opinion or declaration from or with, notice to, or any other action by or in respect of, as the case may be, any Governmental Authority.

Governmental Authority means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) and any entity exercising executive, legislative, judicial, regulatory or administrative authority of or pertaining to government (whether such authority is recognized as a de jure government or is a de facto government).

Green Tobacco means Brazilian origin unprocessed green tobacco planted, harvested and commercialized in accordance with all applicable Brazilian laws and regulations.

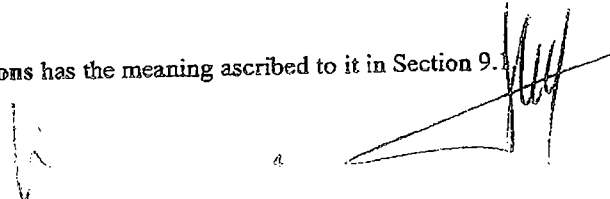
Green Tobacco Loan has the meaning ascribed thereto in Section 2.1(a).

Green Tobacco Loan Available Amount means, for any Facility Year, the Green Tobacco Loan Maximum Amount minus the principal amount of all Green Tobacco Loans then outstanding during such Facility Year.

Green Tobacco Loan Maximum Amount means an amount equal to US\$4,000,000.

Green Tobacco Price means, on any day in relation to any quantities of a certain grade of Green Tobacco for delivery in any month, the price for delivery of such grade of Green Tobacco fixed by the *Sindicato da Indústria do Fumo – SINDIFUMO* for any individual crop or as calculated by the Lender in its sole discretion.

Guaranteed Obligations has the meaning ascribed to it in Section 9.1

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Guaranty means the guaranty entered into pursuant to Section 9.

Guarantor has the meaning ascribed to it in the Preamble hereto.

Hazardous Materials means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

Indebtedness means, as to any Person, without duplication and in accordance with GAAP, (a) all indebtedness of such Person in respect of (i) borrowed money including, but not limited to, obligations in connection with acceptance facilities and letter of credit facilities and (ii) the deferred purchase price of Property or services, (b) all payment obligations of such Person evidenced by bonds, debentures, notes or other similar securities, (c) all direct or indirect guarantees of such Person in respect of, and all obligations (contingent or otherwise) of such Person to any other Person for, borrowed money or for the deferred purchase price of Property or services, (d) all obligations of such Person as lessee under leases which shall have been or ought to be, in accordance with GAAP, recorded as capital leases, (e) all indebtedness of another Person secured by a Lien on any Property owned by such Person, whether or not such Person has assumed or otherwise become liable for the payment thereof, and (f) net liabilities arising under derivative transactions, repurchase agreements or hedging transactions.

Indemnified Parties has the meaning ascribed to it in Section 10.14(a).

Insurance Policies means (a) the storage insurance policies of the Borrower and the Collateral Manager, which cover all losses with respect to the Goods pledged under the Tobacco Pledge Agreement and stored at the Warehouse, caused, *inter alia*, by fire, explosion, storm, disappearance or theft, for a minimum amount of one hundred percent (100%) of the Market Value thereof, and (b) each Credit Default Insurance, each in form and substance and with insurance providers satisfactory to the Lender and duly endorsed to the Lender as the sole beneficiary and loss payee thereunder.

Interest Payment Date means, for each Loan, the last day of March, June, September, and December and the Maturity Date of each Facility Year, *provided* that whenever the Interest Payment Date would otherwise occur on a day other than a Business Day, such Interest Payment Date shall instead occur on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Interest Period means, for any Loan, the period starting on the Drawdown Date thereof and ending on (but not including) the date that is one (1) calendar month thereafter (or such other date as shall be agreed between the Borrower and the Lender), and then each succeeding period starting on the last day of the preceding Interest Period and ending on (but not including) the date that is one (1) calendar month thereafter (or such other date as shall be agreed between the Borrower and the Lender), provided that: (a) an Interest Period that would otherwise end after the Maturity Date shall end on the Maturity Date; (b) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period, subject to (a) above, shall be extended to occur on the next succeeding Business Day, provided, however, that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and (c) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the

calendar month at the end of such Interest Period) shall end on, subject to (a) above, the last Business Day of the appropriate subsequent calendar month.

Interest Rate Determination Date means the day two (2) London Banking Days prior to the first day of the relevant Interest Period.

Judgment Currency has the meaning ascribed to it in Section 10.13.

Judgment Currency Conversion Date has the meaning ascribed to it in Section 10.13.

Liabilities has the meaning ascribed to it in Section 10.14(a).

Lender has the meaning ascribed to it in the Preamble.

LIBOR means, with respect to each Interest Period for a Loan, the rate per annum (rounded upward, if necessary, to the nearest one eighth of a percentage point), as determined on the basis of the offered rates for deposits in Dollars, for a period of one month as shown on the display page of Bloomberg designated as BBAM (or such other page as may replace that page) as of 11:00 a.m. London time on the Interest Rate Determination Date; provided, however, if the rate described above does not appear on such page on any applicable Interest Rate Determination Date, LIBOR shall be the rate (rounded upward as described above, if necessary) for deposits in Dollars for a period of one month on the Reuters Page "LIBO" (or such other page as may replace the LIBO Page on Reuters for the purpose of displaying such rates) as of 11:00 a.m. (London time) on the Interest Rate Determination Date. If both Bloomberg and Reuters are unavailable, then the rate for that date will be determined on the basis of the offered rates for deposits in Dollars for a period of one month which are offered by four major banks in the London interbank market at approximately 11:00 a.m. London time on the Interest Rate Determination Date as selected by the Lender. The principal London office of each of the four major London banks will be requested to provide a quotation of its Dollar deposit offered rate. If at least two such quotations are provided, the rate for that date will be the arithmetic mean of the quotations. In the event that the Lender is unable to obtain any such quotation as provided above, it will determine the rate in accordance with Section 2.6.

Lien means any lien, mortgage, assignment, pledge, hypothecation, fiduciary lien, deposit arrangement, title retention, trust, encumbrance, security interest or other charge, or any other type of preferential arrangement (including *vinculação de receitas* or any similar arrangement), priority or other security agreement having the practical effect of any of the foregoing, upon or with respect to any Properties or other Assets, including any agreement to give any of the foregoing.

Loan or Loans has the meaning ascribed to them in Section 2.1(b).

Loan Amount means, in respect of any requested Loan, an amount as follows:

(a) $\text{Loan Amount} = Q * \text{Market Value} * R$

(b) Where:

(c) Q means the quantity of the relevant Goods delivered to the Warehouse by the Borrower or on its behalf and which are pledged to the Lender pursuant to the Tobacco Pledge Agreement, and which such Goods do not apply to any other Loan hereunder; and

(d) R means, 0.83.

Loan Availability Period means the period from the later to occur of (a) the date during the relevant Facility Year that the Lender notifies the Borrower that each of the conditions precedent set forth in Sections 4.1 and 4.2 have been satisfied in full (or waived in writing by the Lender) and (b) the availability start date corresponding to the relevant Facility Year set forth below, through the availability termination date corresponding to the relevant Facility Year set forth below:

Facility Year	Availability Start Date	Availability Termination Date
First Year	*	September 30, 2008
Second Year	December 1, 2008	August 31, 2009
Third Year	December 1, 2009	August 31, 2010

Loan Documents means this Agreement, the Note, the Security Agreements, the Collateral Management Agreement, the Assigned Export Contracts, the Insurance Policies, and any other documents and agreements delivered or entered into in connection with the foregoing.

London Banking Day means any day, other than a Saturday or Sunday, on which banks are not required or authorized to close in New York, New York, United States of America or London, England.

Market Value means (a) for purposes of each Assigned Export Contract, the relevant quantity of Processed Tobacco being valued multiplied by the Processed Tobacco Price, and (b) for purposes of each Tobacco Pledge Agreement, the relevant quantity of each grade of Green Tobacco or Processed Tobacco being valued multiplied by the relevant Green Tobacco Price for such grade or Processed Tobacco Price, as applicable; in each case (i) minus the transport differential for transport to the relevant port at the relevant time the Market Value is being determined hereunder, and (ii) minus (or plus) any other applicable discount/premium as determined by the Lender in its reasonable discretion. The Lender may at any time unilaterally amend the definition of "Market Value" if it deems in its sole discretion that the definition of Market Value, due to reasons of market volatility or delays in delivery or otherwise, does not conservatively reflect the anticipated invoice value of Processed Tobacco remaining to be delivered during the remaining term of any Assigned Export Contract or the value of Goods covered by any Tobacco Pledge Agreement.

Material Adverse Effect means (a) a material adverse effect on the business, operations, Property, or financial condition or prospects of the Borrower or the Guarantor, (b) a material adverse effect on the validity or enforceability of any Loan Document, or the rights or remedies of the Lender thereunder, or (c) a material adverse effect on the ability of the Borrower or the Guarantor to perform its obligations under any Loan Document, in each case as determined by the Lender in its sole discretion.

Maturity Date means, in respect of each Loan, the date selected by the Borrower in the relevant Notice of Drawdown, provided that such date is not later than the then applicable Final Maturity Date. The date selected by the Borrower in the relevant Notice of Drawdown may be extended by the Borrower by written notice to the Lender at least two (2) Business Days prior to such selected date, provided that the new date selected by the Borrower complies with the limitation above.

Note means the promissory note in the form of Annex 1 hereto, governed by and construed in accordance with the laws of Brazil, duly executed by the Borrower and the Guarantor (as *per aval*), for an amount equal to one hundred twenty percent (120%) of the Facility Amount.

Notice of Drawdown has the meaning ascribed to it in Section 2.2(a).

Obligation Currency has the meaning ascribed to it in Section 10.13.

Obligations mean any and all obligations of the Borrower under this Agreement and the other Loan Documents.

OFAC means the Office of Foreign Assets Control of the United States Department of the Treasury.

OFAC Lists has the meaning ascribed to it in Section 3(w).

OFAC Violation has the meaning ascribed to it in Section 5(o).

Other Taxes has the meaning ascribed to it in Section 8.2.

Patriot Act means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, United States Public Law 107-56.

Person means any individual, corporation, partnership, trust, unincorporated organization, joint stock company or other legal entity or organization and any Governmental Authority.

Process Agent has the meaning ascribed to it in Section 10.8(b).

Processed Tobacco means Green Tobacco duly processed and suitable for export to each Eligible Off-taker in accordance with the terms and conditions of the relevant Assigned Export Contracts.

Processed Tobacco Loan has the meaning ascribed thereto in Section 2.1(a).

Processed Tobacco Loan Available Amount means, for any Facility Year, the Processed Tobacco Loan Maximum Amount minus the principal amount of all Processed Tobacco Loans then outstanding during such Facility Year.

Processed Tobacco Loan Maximum Amount means an amount equal to US\$10,000,000.

Processed Tobacco Price means, on any day in relation to any quantities of Processed Tobacco for delivery in any month, the price for delivery of Processed Tobacco (a) set forth in each relevant Assigned Export Contract or (b) if so determined by the Lender, as calculated by the Collateral Manager, taking into account the specific tobacco blend and any other relevant factors in its sole discretion. The Borrower shall deliver to the Lender and the Collateral Manager any information they request to determine the amount and reasonability of any Processed Tobacco Price.

Property means any right of interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

Reais, Brazilian Reais and the designation R\$ each means the lawful currency of Brazil.

Renewal Date has the meaning ascribed to it in Section 2.16(c).

Renewal Fee means the renewal fee in the amount of US\$50,000.

Responsible Officer of any Person means any Person who is duly authorized to represent and to obligate that Person in accordance with the corporate documents of that Person.

Second Year means the period from the first Renewal Date to November 30, 2009.

Security Agreements means the Assignment and Security Agreement, the Collection Account Pledge Agreement, the Tobacco Pledge Agreement, and any other document granting a security interest in favor of Lender as security for the Loans or any other Obligations.

Shipping Documents means, with respect to any Export Receivable or Assigned Export Contract, a clean on board ocean bill of lading and related marine cargo insurance, an invoice, a bill of exchange, or negotiable instrument in the amount of the relevant Export Receivable drawn on the relevant Eligible Off-taker or otherwise due by such Eligible Off-taker, a phytosanitary certificate (if required), a certificate of origin, a certificate of quality, a customs clearance certificate, and all other documentation required for payment of the Export Receivable and clearance of the Processed Tobacco at their destination, or otherwise, by the relevant Eligible Off-taker.

Subsidiary means, as to any Person, a corporation, partnership or other entity of which Capital Stock having ordinary voting power (other than Capital Stock having such power only by reason of the happening of a contingency) to elect a majority of the board of directors (or similar governing body) or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person.

SWIFT means an electronic or other type of message sent or received under the Society for Worldwide Interbank Financial Telecommunication system.

Taxes has the meaning ascribed to it in Section 8.1(a).

Third Year means the period from the second Renewal Date to November 30, 2010.

Tobacco Pledge Agreement means the *Contrato de Penhor Mercantil* to be executed among the Borrower, the Collateral Manager and the Lender, in the form of Annex 5 hereto, and granting a first priority security interest to the Lender in the Goods in accordance with the terms and conditions set forth therein and herein.

UCC has the meaning ascribed to it in the Assignment and Security Agreement.

Unapproved Off-taker means any Person from time to time not approved by the Lender as final purchaser of Processed Tobacco from the Borrower.

U.S. Collateral means the Assigned Export Contracts, the Export Receivables, and all of the other collateral described more fully in the Assignment and Security Agreement.

Warehouse means each warehouse approved in advance by the Lender for the purpose of storing Goods as provided in the Collateral Management Agreement.

1.2 Other Definitional Provisions

- (a) The term "including" is not limiting and means "including without limitation."
- (b) The words "hereof," "herein" and "hereunder" and words of similar import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Annex, Schedule and Exhibit references are to this Agreement unless otherwise specified.
- (c) References to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made.
- (d) References to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such agreements and instruments, but only to the extent that such amendments and other modifications are permitted by, or not prohibited by, the terms of this Agreement.
- (e) The meaning given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.
- (f) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding." Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days are expressly presented.
- (g) Each gender-specific term used in this Agreement has a comparable meaning whether used in a masculine, feminine or gender-neutral form.
- (h) The words "and" and "or" shall, unless the context shall clearly indicate otherwise, be construed as "and/or."

2. THE LOANS

2.1 Purpose; Availability; the Loans

- (a) The Loans shall be used by the Borrower solely to finance (i) the purchase, warehousing and processing of Green Tobacco and associated expenses in connection therewith (a **Green Tobacco Loan**), and (ii) the warehousing of Processed Tobacco and associated expenses in connection therewith (a **Processed Tobacco Loan**), in all cases with a view to the export sale of Processed Tobacco pursuant to the terms of the Assigned Export Contracts.
- (b) The Lender agrees, subject to the terms and conditions and relying upon the representations and warranties hereinafter set forth in this Agreement, to make Green Tobacco Loans and Processed Tobacco Loans in Dollars to the Borrower at any time during the relevant Loan Availability Period (each a **Loan** and collectively, the **Loans**), provided that (i) each Loan shall be in a principal amount of at least US\$500,000.00 (five hundred thousand U.S. Dollars), (ii) each Loan shall be either a Green Tobacco Loan or a Processed Tobacco Loan, (iii) each Green Tobacco Loan shall be in an amount equal to the lesser of (A) the Loan Amount and (B) the Green Tobacco Loan Available Amount, (iv) each Processed Tobacco Loan shall be in an amount equal to the lesser of (A) the Loan Amount and (B) the Processed Tobacco Loan Available Amount, (v) the aggregate amount of the Green Tobacco Loans outstanding at any one time shall not exceed the Green Tobacco Loan Maximum Amount and the

aggregate amount of Processed Tobacco Loans outstanding at any one time shall not exceed the Processed Tobacco Loan Maximum Amount, and (vi) all of the Loans outstanding at any one time shall not exceed the Facility Amount. Amounts paid, repaid or prepaid in respect of the Loans may be reborrowed in accordance with the terms of Section 2.16 hereof.

- (c) The Lender's commitment to make the Loans, unless sooner terminated pursuant to the other terms of this Agreement, shall be automatically terminated at the Lender's close of business on the last day of the Loan Availability Period of each Facility Year.

2.2 Notice of Drawdown; Funding by Lender

- (a) The Borrower shall draw each Loan by giving a notice in the form of Annex 2 hereto (a Notice of Drawdown) to the Lender during the Loan Availability Period applicable thereto, which notice must contain a proposed Drawdown Date of at least three (3) Business Days after the Lender's receipt thereof but in no event after the end of such Loan Availability Period and shall specify whether such Loan is a Green Tobacco Loan or a Processed Tobacco Loan. If a Notice of Drawdown is received by the Lender after 2:00 p.m. (New York time) on any day it shall be deemed as having been received on the next Business Day. The receipt of the Notice of Drawdown by the Lender shall obligate the Borrower to borrow the aggregate principal amount of such Loan on the date set forth therein.
- (b) The Lender shall make each Loan on each proposed Drawdown Date by wire transfer to the Borrower's account indicated in the relevant Notice of Drawdown in immediately available Dollars not later than 11:00 a.m., New York time to be immediately used by the Borrower for the closing of a foreign exchange transaction with any bank authorized for such in Brazil at the then prevailing official rate of exchange in accordance with the regulations of the Central Bank of Brazil pertaining to export prepayments (*Recebimento Antecipado de Exportação*), and the consequent delivery of the corresponding Reais to the Borrower in Brazil. Each Loan may, in the sole discretion of the Lender, be net of any fees and expenses to be paid to the Lender on such date in accordance with the terms of Section 4.2(e) hereof.
- (c) Promptly upon the receipt of the Loan proceeds as established in item (b) above (and in no event more than ten (10) days thereafter), the Borrower will arrange for all necessary notifications to the Central Bank of Brazil (if any) in respect of the anticipated repayment schedule for the financing.

2.3 Fees

The Borrower shall pay to the Lender (a) the Facility Fee, of which fifty percent (50%) has already been paid to the Lender and fifty percent (50%) shall be payable on the earlier to occur of (i) the first Drawdown Date and (ii) forty-five (45) days from the Execution Date, (b) the Administration Fee on the first Drawdown Date, (c) a commitment fee for each year the facility is in effect (the **Commitment Fee**) on the unused portion of the Facility Amount at (and including) the last day of the Loan Availability Period of each Facility Year at a rate per annum equal to one percent (1.0%), payable on the last day of the Loan Availability Period of each Facility Year, and (c) if the facility is renewed pursuant to Section 2.16 hereof, the Renewal Fee on the first Drawdown Date of the Loan Availability Period for the Second Year and/or Third Year, as the case may be.

2.4 Notes; Lender's Records

The Loans shall be evidenced by a single Note duly executed on behalf of the Borrower and guaranteed by the Guarantor, dated as of the Drawdown Date for the first Loan, with the blanks appropriately filled.

and if the facility is renewed in accordance with Section 2.16 hereof, then as provided therein. The Lender shall maintain, in accordance with its usual practice, records evidencing the indebtedness of the Borrower to the Lender resulting from the Loans, including the amounts of principal and interest payable and paid to the Lender from time to time hereunder, and such records shall be conclusive and binding on the Borrower absent manifest error.

2.5 Interest on the Loans

- (a) The Borrower shall pay to the Lender interest on the unpaid principal amount of each Loan, at a rate per annum equal to LIBOR (as in effect from time to time) plus the Applicable Margin. Each determination of an interest rate by the Lender pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower in the absence of clearly demonstrable error.
- (b) Interest shall be computed on the basis of a year of three hundred sixty (360) days for the actual number of days elapsed, counted from each Drawdown Date, shall be compounded monthly in arrears on a calendar basis and shall be payable in arrears on each Interest Payment Date for the relevant Loan.

2.6 Alternative Interest Rate For Libor

If, prior to the first day of any Interest Period, the Lender shall have determined (which determination shall be conclusive and binding upon the Borrower) that (a) by reason of circumstances affecting the London interbank market, or as set forth in the definition of LIBOR in Section 1.1, adequate and reasonable means do not exist for ascertaining LIBOR for such Interest Period, or (b) LIBOR as determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to the Lender of making or maintaining the relevant Loan during such Interest Period, the Lender shall give notice thereof to the Borrower as soon as practicable thereafter. Upon the giving of such notice by the Lender the interest rate to be applicable to the relevant Loan for such Interest Period shall be the per annum rate reflecting the cost to the Lender of funding the relevant Loan from whatever source the Lender may reasonably select. Each determination by the Lender shall be conclusive absent manifest error.

2.7 Late Payment

If any amount due hereunder on the Loans, including principal, interest, fees, premiums, expenses or any other amount, is not paid when due (whether at maturity, by acceleration or otherwise), then interest shall accrue (and compound monthly) on such overdue amount at the interest rate then applicable to the outstanding principal amount of the Loans, plus three percent (3%) per annum, for each day counted from the due date thereof until full and effective payment (after as well as before judgment). Interest accruing on overdue amounts pursuant to this Section shall be payable on demand.

2.8 Capital Adequacy

If any law, rule, regulation, direction or guideline regarding capital adequacy or any change therein or in the interpretation or administration thereof by any Person charged with the interpretation or administration thereof, or compliance by the Lender therewith, affects or would affect the amount of capital required or expected to be maintained by the Lender or any Affiliate thereof, and the Lender (taking into consideration its policies with respect to capital adequacy and its desired return on capital) determines that the amount of such capital is increased as a consequence of the Lender's obligations under this Agreement, including any increased costs resulting from the implementation of the proposed Basel Capital Accord as outlined in the Consultative Document issued by the Basel Committee, or

Banking Supervision in January of 2001 (or any superseding version of the Basel Capital Accord released by the Basel Committee on Banking Supervision) or resulting from the application of any capital adequacy formula implemented under such proposed revised Basel Capital Accord in combination with any subsequent events relating to the Borrower, then, upon demand in writing by the Lender, the Borrower shall pay to the Lender, from time to time as specified by the Lender, additional amounts sufficient to compensate the Lender for such increase. In determining such amount, the Lender may use any reasonable averaging and attribution methods.

2.9 Scheduled Repayment

- (a) Subject to Section 2.10 below, the Borrower shall repay the principal amount of each Loan on its Maturity Date.
- (b) The primary mechanism for the repayment of the Loans shall be through the export of Processed Tobacco by the Borrower to the Eligible Off-takers under Assigned Export Contracts, and the payment by the Eligible Off-takers in respect of the Export Receivables resulting therefrom directly into the Collection Account. The proceeds of such payments made to the Collection Account shall be applied against the principal amount of the Loans as set forth in paragraph (c) below. The Borrower shall inform the Eligible Off-takers on each written invoice it provides to the Eligible Off-takers of the (i) relevant Collection Account information and (ii) requirement that the Eligible Off-takers deposit any and all Export Receivables into the Collection Account.
- (c) Upon receipt of funds in the Collection Account, the Lender shall immediately debit the Collection Account and apply such funds in accordance with Section 2.12 below, or, if the Borrower requests in writing that the Lender hold the funds in the Collection Account until the Maturity Date of the relevant Loan, then provided that no Default has occurred and is continuing the Lender will hold the funds received in the Collection Account until the relevant Maturity Date and debit the Collection Account on the relevant Maturity Date. The Lender shall pay to the Borrower interest on any such funds equivalent to the interest received by placing an equivalent amount on deposit in the interbank market for Dollar deposits. The Borrower may request the Lender to debit the Collection Account and remit to the Borrower that portion of the proceeds received from the Eligible Off-takers above the amount that is required to pay the amount due on such Maturity Date (the Borrower Excess). The Lender shall at its sole discretion calculate and determine whether any Borrower Excess exists and should be paid to the Borrower and for purposes thereof shall consider the amounts payable on subsequent Maturity Dates.
- (d) In the event that any principal of any Loan or any other amount in respect of the Loans is not paid when due, the Borrower shall immediately pay such amount to the Lender and the Lender may demand payment thereof under the Note.

2.10 Prepayment

The Borrower shall be entitled to prepay the principal amount of the outstanding Loans, together with accrued interest to the date of such prepayment, without premium or penalty, but with any amounts due pursuant to Section 2.15 in respect of such prepayment, provided that: (a) the prepayment shall be in the amount of at least US\$200,000.00 (two hundred thousand U.S. Dollars) or the outstanding balance of the relevant Loan, and (b) the Borrower shall have given the Lender not less than three (3) Business Days' prior written notice of its intention to prepay the Loans, which notice shall be irrevocable and shall specify the Loan or Loans being prepaid, the amounts being prepaid and the prepayment date.

2.11 Release of Collateral

- (a) **Processing Green Tobacco.** The Lender shall release Green Tobacco for processing into Processed Tobacco provided that (i) the Market Value of such Green Tobacco being released shall not exceed at any time ten percent (10%) of the aggregate Market Value of the Goods pledged pursuant to the Tobacco Pledge Agreement, and (ii) no Default or Event of Default has occurred and is continuing.
- (b) **Final Release of Green Tobacco.** The Lender shall release Green Tobacco held as Collateral under the Tobacco Pledge Agreement for a Green Tobacco Loan if the Lender determines that either (i) (A) the Green Tobacco covered thereby has been replaced by Processed Tobacco that is pledged to the Lender pursuant to the Tobacco Pledge Agreement (and not otherwise pledged as Collateral for any other Processed Tobacco Loan) in an amount sufficient to comply with the requirements of Section 5(k) hereof and (B) no Default or Event of Default has occurred and is continuing (or will occur immediately after such release), or (ii) the Green Tobacco Loans guaranteed thereby have been repaid.
- (c) **Final Release of Processed Tobacco.** The Lender shall release Processed Tobacco held as Collateral under the Tobacco Pledge Agreement:
 - (i) for transport to the relevant port of shipment, upon receipt of notice from the Borrower confirming the underlying vessel nomination and provided that (x) the Market Value of such Processed Tobacco being released shall not exceed at any time ten percent (10%) of the aggregate Market Value of the Goods pledged pursuant to the Tobacco Pledge Agreement, and (y) such transport is carried out under the supervision of the Collateral Manager;
 - (ii) against Shipping Documents related to Processed Tobacco covered by Assigned Export Contracts which have been delivered to the Lender or such other Person as the Lender shall direct for purposes of making documentary collections with respect to the relevant Export Receivables; or
 - (iii) upon the repayment of Loans guaranteed thereby,

provided, in either case, that both before and immediately after such release (x) no Default or Event of Default has occurred and is continuing, and (y) the Borrower will comply with the requirements of Sections 5(j) and 5(k) hereof.

2.12 Method and Application of Payment

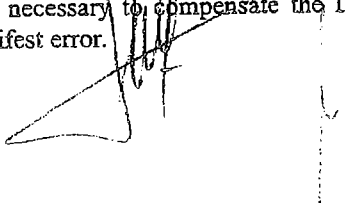
All payments and prepayments of principal (including using funds debited from the Collection Account by the Lender pursuant to the terms of Section 2.9) and all payments of interest, fees and other amounts payable hereunder shall be made by or on behalf of the Borrower to the Lender's account no. 3582 082377 001 at Standard Chartered Bank, New York SCBL US 33, ABA Routing No. 26002561, Ref: Brasfumo, or at such other place as the Lender may from time to time specify in writing, with each such payment to be made in immediately available Dollars, on or before 11:00 a.m. (New York time) on the due date thereof, without counterclaim or setoff and free and clear of, and without any deduction or withholding for, any Taxes or other payments. Payments received after this time shall be deemed to have been received by the Lender on the following Business Day. Until the Borrower has discharged the Obligations in full, all amounts received by the Lender from the Borrower or for its account shall be applied by the Lender in the following way: (a) first, in discharge of any expenses or other right of indemnification (with respect to increased costs, taxes or otherwise) of the Lender due and payable under any Loan Document; (b) second, in discharge of any fees, costs or expenses then due and payable

under this Agreement; (c) third, in discharge of any interest (including capitalized interest) accrued and unpaid; (d) fourth, in repayment of the Loans, in the order determined by the Lender; (e) fifth, in discharge of any other Obligations; and (f) sixth, any surplus shall be paid as the Borrower may direct in writing or to the Person otherwise entitled; provided that in case of a Default or Event of Default, the Lender shall retain any such surplus until further disposition in accordance with the terms hereof.

2.13 Illegality

Notwithstanding any other provisions herein, if at any time the Lender shall have determined in good faith (which determination shall be final and conclusive) that compliance by the Lender with any applicable law or governmental regulation, guideline or order or interpretation thereof or change therein by any Governmental Authority charged with the interpretation or administration thereof or with any request or directive of any such Governmental Authority shall make it unlawful for the Lender to make or maintain any Loan, then, and in any such event, the Lender shall immediately so notify the Borrower. If such change in circumstances occurs prior to the disbursement of a Loan hereunder, then the Lender's obligation to make that Loan hereunder shall terminate without any indemnification in favor of the Borrower. If such change in circumstances occurs while any Loan is outstanding, the outstanding amount of that Loan, together with accrued interest thereon and all other amounts payable to the Lender under this Agreement shall be prepaid by the Borrower immediately or, if it is permitted by the relevant law, at the end of the then current Interest Period.

2.14 Increased Costs

- (a) If, after the Execution Date, any law, rule, regulation, order or directive, whether or not having the force of law, or any interpretation thereof by any Person charged with the interpretation or administration thereof (i) subjects the Lender to any tax, duty, mandatory contribution or other charge or payment of any kind whatsoever with respect to this Agreement or the Note, or to any extraordinary tax, or changes the basis of taxation of any payments to the Lender hereunder or under the Note (except any change in the rate of tax on the overall income of the Lender imposed by the jurisdiction in which the principal office of the Lender is located), or (ii) imposes, modifies or deems applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, the Lender, or shall impose on the Lender any other condition affecting this Agreement or the Note, and the result of any of the foregoing is to increase the cost to the Lender of making or maintaining the Loans, or to reduce the amount of any payment received or receivable by the Lender, or to impose on the Lender an obligation to make any payment to any fiscal, monetary, regulatory or other authority calculated on or by reference to any amount received or receivable by it under this Agreement or the Note, by an amount deemed by the Lender to be material, then the Borrower shall pay to the Lender, promptly upon demand, such additional amount or amounts as will compensate the Lender for such increased cost or reduction in the amount received or receivable.
- (b) The Lender shall notify the Borrower of any event that will entitle the Lender to such additional amount or amounts pursuant to this Section 2.14 as promptly as practicable after becoming aware of such event, provided, however, that failure to give any such notice shall not impair any Lender's rights under this Section 2.14. A certificate of the Lender setting forth the basis for the determination of such additional amount or amounts necessary to compensate the Lender as provided herein shall be conclusive and binding, absent manifest error.
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2.15 Indemnity

Each of the Borrower and the Guarantor shall indemnify the Lender against any loss or reasonable expense which the Lender may sustain or incur as a consequence of (a) any failure by the Borrower to fulfill on the date set forth in any Notice of Drawdown the applicable conditions set forth in Section 4 hereof, (b) any failure by the Borrower to borrow any Loan after an irrevocable Notice of Drawdown has been given pursuant to Section 2.2 hereof, or (c) any payment or prepayment of a Loan on a date other than its Maturity Date, including, in each such case, any loss or expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof. A certificate of the Lender setting forth in reasonable detail (including the method of computation) any amount or amounts which the Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error.

2.16 Facility Review

(a) At any time from (x) December 1, 2008 through February 1, 2009 for the review related to the Second Year, and (y) December 1, 2009 through February 1, 2010, for the review related to the Third Year, and provided that all the Obligations due and owing at such time have been indefeasibly paid in full on the relevant due dates thereof until such time, the Lender may review the facility on the basis set forth hereunder:

- (i) the Borrower's creditworthiness;
- (ii) the Borrower's consolidated balance sheet and related statement(s) of income and cash flows supplied by the Borrower to the Lender pursuant to Section 5(a) hereof or otherwise obtained by or delivered to the Lender;
- (iii) the Borrower's failure to pay or delay in paying, in full, the amounts due on each date of payment of principal and interest in respect of a Loan in accordance with the terms and conditions hereof;
- (iv) whether any information, representation, warranty, certification or obligation given, made or assumed by the Borrower in accordance with the terms and conditions hereof has proven to have been incorrect or misleading when given, made or assumed in any respect;
- (v) any Material Adverse Effect;
- (vi) the occurrence or continuation of any Default or Event of Default;
- (vii) the Borrower's actual use of the Facility Amount; and
- (viii) any other event, circumstance or criteria that the Lender may see fit or appropriate to apply.

(b) Upon the Lender's completion of the review set forth in Section 2.16(a) hereof, the Lender shall notify the Borrower of its decision to either (i) renew the facility for the following Facility Year in accordance with the terms and conditions set forth in such notice and the procedures described in this Section 2.16, or (ii) not renew the facility for the following Facility Year. The Lender's (or the Borrower's) decision to renew or not to renew the facility shall not release the Borrower or the Guarantor from the performance

of its Obligations set forth hereunder and under each of the other Loan Documents to which it is a party in accordance with the terms hereof and thereof or in any way affect such Obligations, unless otherwise agreed in writing by the Lender.

- (c) The Lender and the Borrower shall negotiate in good faith for ten (10) Business Days following the Borrower's receipt of the notice set forth in Section 2.16(b) above, if any, and if a mutual agreement is not achieved within such period in respect of the terms and conditions to renew the facility, each of the Lender and the Borrower shall have the right not to renew the facility. If, however, the Lender and the Borrower reach a mutual agreement on a date within such ten (10) Business Days period (the **Renewal Date**), they shall immediately carry out all acts and shall execute and deliver all documents necessary to ensure that the spirit, purpose and obligations arising out of their negotiations are fully complied with. Notwithstanding the foregoing, the obligation of the Lender to make any Loan during the Second Year or Third Year, as the case may be, shall be subject to the satisfaction by the Borrower and the Guarantor of the conditions set forth in Sections 4.1 and 4.2 hereof and such other conditions as the Lender may designate at such time, at its sole discretion, including the payment of the Renewal Fee. The Loans made during the Second Year or Third Year, as the case may be, shall be evidenced by a single Note duly executed on behalf of the Borrower and the Guarantor, dated as of the first Drawdown Date of the Second Year or Third Year, as the case may be, and with the blanks appropriately filled.

3. REPRESENTATIONS AND WARRANTIES

To induce the Lender to enter into this Agreement and each of the other Loan Documents to which it is a party and make the Loans, each of the Borrower and the Guarantor, jointly and severally, represents and warrants to the Lender as set forth in this Section 3.

3.1 Corporate Existence, Etc.

- (a) The Borrower is a *sociedade anônima* duly incorporated and validly existing under the laws of Brazil. It has all requisite corporate power and authority and all necessary material licenses, authorizations, consents, approvals and permits to own its Properties and Assets and to conduct the business in which it is currently engaged, and is duly qualified and licensed as a foreign corporation in good standing in each jurisdiction where such qualification is required.
- (b) The Guarantor is (i) not a minor and (ii) of sound mind. No step or procedure has been taken in any jurisdiction which would restrict the Guarantor of its ability or legal capacity to enter into this Agreement or the Guaranty or would require the approval of a third party or an authority. The Guarantor is acting as principal and for its own account and not as agent or trustee or in any other capacity on behalf of any third party.

3.2 No Breach

The execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party will not (a) conflict with or result in a breach of, or require any consent or other legal obligation binding on it (other than consents which have been obtained prior to the Execution Date and that remain in full force and effect), (b) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect and applicable to it, (c) result in a breach of or constitute a default under any indenture or financing or credit agreement or any other agreement, lease or instrument to which it is a party or by which it or its Properties are bound or affected, or (d) result in, or require, the creation or imposition of any Lien upon or with respect to any of its Properties, or Assets, other than pursuant to the Loan Documents. It is in compliance with all applicable laws and

regulations and the terms of all material licenses held by it or applicable to it or its Property, and all indentures, agreements and other instruments binding upon it or its Property, and it is not in default under any agreement to which it is a party. No other event is outstanding which constitutes a breach or default under any document which is binding on it or any of its Assets to an extent or in a manner which is reasonably likely to have a Material Adverse Effect.

3.3 Authority; Binding Effect

It has all necessary power, authority and legal right to execute, deliver and perform its obligations under this Agreement and each of the other Loan Documents to which it is a party; the execution, delivery and performance by it of this Agreement and the other Loan Documents to which it is a party, and in the case of the Borrower, the borrowings hereunder have been duly authorized by all necessary action on its part; and this Agreement and the other Loan Documents to which it is a party have been duly executed and delivered by it, and constitute its legal, valid and binding obligations, enforceable against it in accordance with their respective terms.

3.4 Use of Proceeds

The proceeds of each Loan shall be used by the Borrower solely to finance (a) the purchase, warehousing and processing of Green Tobacco and associated expenses in connection therewith and (b) the warehousing of Processed Tobacco and associated expenses in connection therewith, in all cases with a view to the export sale of Processed Tobacco pursuant to the terms of the Assigned Export Contracts.

3.5 Tax Returns and Payments

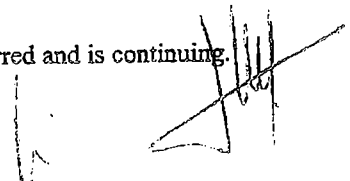
All income and other tax returns required by law to be filed by it have been duly filed, and all taxes, assessments and other governmental charges upon it or upon any of its respective Properties shown thereon have been paid to the extent that such taxes, assessments and other governmental charges have become due and payable and are not being contested in good faith, except where the failure to make such filings or pay such taxes, assessments and other governmental charges would not have a Material Adverse Effect. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes are adequate in all material respects and no additional assessments exist for any year for any such Person which materially exceed such reserves. There are no tax Liens filed against any of its Properties.

3.6 Litigation

There are no legal or arbitral proceedings, or any proceedings by or before any Governmental Authority or agency, now pending or (to the best of its knowledge, after due inquiry) threatened against or affecting it, either (a) with respect to or arising out of this Agreement, the other Loan Documents or the transactions relating hereto or thereto, or (b) which, if adversely determined, could be expected, in the Lender's sole opinion, to have a Material Adverse Effect.

3.7 Absence of Defaults

No Default has occurred and is continuing.



3.8 Governmental Approvals

No Governmental Approval (except for those that have already been obtained and are in full force and effect) or other act by or in respect of, any Governmental Authority, or consent or authorization of, approval by or notice to any other Person is required or is necessary (a) in connection with the execution, delivery and performance of this Agreement, the Note and the other Loan Documents to which it is a party, (b) for the validity and enforceability of this Agreement, the Note and the other Loan Documents to which it is a party against it, and (c) for the availability and transfer of Dollars required to make payments under this Agreement, the Note and the other Loan Documents to which it is a party.

3.9 Financial Condition

The audited financial statements of the Borrower dated as of December 31, 2007 (the Financial Statements), including the related schedules and notes, in the opinion of its independent auditors, fairly present the financial condition thereof as of the dates and the results of its operations for the periods stated therein and have been prepared in accordance with GAAP, consistently applied throughout the periods involved. On the date on which such Financial Statements were prepared, the Borrower did not have any liabilities (contingent or otherwise) which were not disclosed thereby (or by the notes thereto) or reserved against therein nor any unrealized or anticipated losses arising from commitments entered into by it which were not so disclosed or reserved against. Since December 31, 2007, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any of its Subsidiaries have any contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including, without limitation, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, which are not reflected in the Financial Statements, including the related notes thereto, or which have not been disclosed in writing to the Lender prior to the Execution Date.

3.10 Ranking

It will ensure that its obligations evidenced by each of the Loan Documents to which it is a party shall be at all times its direct, unconditional and unsubordinated senior secured obligations, and shall at all times rank (a) with respect to the Borrower, (i) at least *pari passu* in priority of payment and in all other respects with all of its other secured obligations, whether now existing or hereafter outstanding, and (ii) senior in priority of payment and in all other respects with all of its unsecured obligations, whether now existing or hereafter outstanding, and (b) with respect to the Guarantor, at least *pari passu* in priority of payment and in all other respects with all other unsecured obligations of the Guarantor, whether now existing or hereafter outstanding; except, in each of (a) and (b) hereof, obligations or Indebtedness mandatorily preferred by operation of applicable Brazilian law.

3.11 Proper Form

The Loan Documents are in proper legal form under the laws of Brazil for the enforcement thereof in Brazil; and to ensure the legality, validity, enforceability, priority or admissibility in evidence of this Agreement and the other Loan Documents it is not necessary that this Agreement or any other Loan Document other than the Tobacco Pledge Agreement and the Assignment and Security Agreement as provided herein and therein, be filed, registered or recorded with, or executed or notarized before, any court or other authority in Brazil or in the United States of America, as applicable, or that any registration charge or stamp or similar tax be paid on or in respect of this Agreement or any other Loan Document, or any other document relating to the matters covered by this Agreement or any other Loan Document.

Document, other than as provided herein or therein, provided, however, that in order to ensure the admission of the Loan Documents before the public agencies and courts in Brazil, the signatures of the parties thereto (or their legal representatives) must be notarized and consularized, and each such Loan Document that was not executed in Portuguese must be translated by a public sworn translator and registered with the competent Brazilian Registry of Deeds and Documents.

3.12 Choice of Law

In any action or proceeding involving it that arises out of or is related to this Agreement or the other Loan Documents to which it is a party in any court of Brazil, the Lender would be entitled to the recognition and enforcement of the choice of law provisions contained herein and therein.

3.13 Civil Law; No Immunity

The Borrower is subject to civil and commercial law with respect to its obligations under the Loan Documents to which it is a party, and the execution, delivery and performance of the Loan Documents to which it is a party constitute private and commercial activities rather than public or governmental acts. Neither the Borrower nor the Guarantor, nor any of their Property, has any immunity (sovereign or otherwise) from the jurisdiction of any court or from setoff or any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of any jurisdiction.

3.14 Solvency

After giving effect to the execution and delivery of this Agreement and the making of the Loans under this Agreement: (a) it will not (i) be "insolvent," as defined or used in any "Applicable Law" (as such term is defined below), (ii) be unable to pay its debts generally as such debts become due or (iii) have an unreasonably small capital to engage in or conduct any business or transaction, whether current or contemplated; (b) its obligations under this Agreement and with respect to the Loans will not be rendered void or voidable under any Applicable Law; and (c) the sum of its Indebtedness (including its obligations under this Agreement and the other Loan Documents) is less than the value of its Property (calculated at the lesser of the cost of the Property and its fair market value as determined by an independent appraiser selected by the Lender in its sole discretion). **Applicable Law** means any Brazilian or United States Federal or State bankruptcy law, and any other applicable law pertaining to fraudulent transfers or acts voidable by creditors, in each case as such law may be amended from time to time, including applicable United States bankruptcy and State fraudulent transfer and conveyance statutes and the related case law, and terms used in this Section 3.14 shall be construed in accordance with such applicable fraudulent transfer laws.

3.15 Environmental Matters

The Borrower's and its Subsidiaries' Properties do not contain, and have not previously contained, Hazardous Materials in amounts or concentrations that constitute or constituted a material violation of, or reasonably could give rise to material liability under, Environmental Laws, and those Properties and all operations at such Properties are in compliance and at all times have been in compliance in all material respects with all Environmental Laws, and there is no contamination at, under or about the Properties which could interfere materially with the continued operation of such Properties or impair materially the fair market value thereof. Neither the Borrower nor the Guarantor has assumed any liability of any Person under any Environmental Laws.

3.16 Assets

It has good title to, or valid leasehold interests in, all its Property material to its business, except for defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such Property for its intended purposes. It owns or is licensed or otherwise has the right to use all of the patents, contractual franchises, licenses, authorizations and other rights that are reasonably necessary for the operation of its business, without conflict with the rights of any other Person.

3.17 Completeness and Accuracy of Information

There is nothing that would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect that has not been disclosed to the Lender in writing in connection with or pursuant to the terms of this Agreement. All information supplied by it to the Lender relating to it was true and accurate in all respects as of the date supplied, and did not as of such date, and does not as of the date hereof, in each case viewed individually and in the aggregate, omit to state any information necessary to make the information therein contained, in light of the circumstances under which such information was supplied, not misleading.

3.18 Regulatory Limitations

It is not subject to any statute or regulation that prohibits or restricts the incurrence of obligations under this Agreement or any of the other Loan Document, including statutes and regulations relative to common or contract carriers or to the sale of electricity, gas, steam, water, telephone, telegraph, or other public utility services

3.19 Insurance

Its Properties are insured with financially sound and reputable insurance companies that are not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are customarily carried by Persons engaged in similar businesses and owning or operating Properties similar to those owned or operated by it, including the Insurance Policies.

3.20 Security Interests

On and after the date of execution and delivery thereof, the Security Agreements create (or will create, as the case may be), as security for the obligations purported to be secured thereby, subject to the provisions hereof and thereof, valid and enforceable first priority perfected security interests in and Liens on all of the Collateral subject to such agreements, in favor of the Lender. The Borrower has good title to all of its Collateral free and clear of all Liens except as created under the Security Agreements or otherwise permitted thereunder. No filings or recordings are required in order to perfect the security interests created under the Security Agreements except for filings or recordings listed in such agreements, all of which shall have been (or will be) made on or prior to each Drawdown Date except as otherwise expressly provided in such agreements or herein.

3.21 Withholding Taxes

There is no income, stamp or other tax, duty, impost, deduction or other charge imposed (whether by withholding or otherwise) by Brazil (including any political subdivision of any thereof) or any Governmental Authority of Brazil on or by virtue of the execution or delivery of this Agreement, any other Loan Document or any other document required to be delivered hereunder or thereunder.

3.22 Anti-Terrorism Laws

To the best of its knowledge, neither it nor any Person holding any legal or beneficial interest whatsoever in the Borrower (whether directly or indirectly) (a) is named on any list of Persons issued by OFAC pursuant to Executive Order 13224—Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as in effect on the date hereof, or any similar list issued by OFAC (collectively, the OFAC Lists); (b) is a Person determined by the Secretary of the Treasury of the United States pursuant to Executive Order 13224 to be owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the Persons referred to or described in the OFAC Lists; or (c) has conducted business with or engaged in any transaction with any Person identified in (a) or (b) above.

3.23 Subsidiaries

Exhibit I contains a complete and correct list of all of the Borrower's Subsidiaries, if any, and a listing of the holders, including the percentage held, of the Capital Stock of each thereof.

4. CONDITIONS OF LOANS

4.1 Documents

The effectiveness of this Agreement and the obligation of the Lender to make the first Loan of each Facility Year are subject to the receipt by the Lender (or written waiver thereof), in form and substance satisfactory to it, of each of the following documents:

- (a) **Loan Documents.** Each of the Loan Documents and each of the documents to be executed and delivered under each of the Loan Documents, duly executed and delivered by all parties thereto;
- (b) **Corporate Documents and Authorizations.** Certified copies of (i) the Governing Documents of the Borrower certified as of a date on or about the Execution Date as a complete and correct copy thereof by a Responsible Officer, and (ii) the resolutions of the Board of Directors of the Borrower, or other equivalent corporate act, authorizing the execution, delivery and performance of the Loan Documents and the transactions contemplated thereunder;
- (c) **Officer's Certificate.** A certificate of the Borrower substantially in the form of Annex 6, dated on the Execution Date and executed by a Responsible Officer, certifying (i) as to the incumbency and signatures of the officers of it authorized to execute any document in connection with the transactions contemplated by each of the Loan Documents, (ii) that the resolutions of its Board of Directors, or other equivalent corporate act, authorizing the execution, delivery and performance of the Loan Documents and the borrowings contemplated hereunder, have not been amended, modified, revoked or rescinded as of the date of such certificate and (iii) as to its compliance with all covenants under each of the Loan Documents, and that all the representations and warranties contained herein and in the other Loan Documents to which it is a party are true and correct as of such date;
- (d) **Governmental and Third Party Approvals.** Certified copies of all Governmental Approvals required for the making or maintenance of the Loans and the performance of all obligations and transactions contemplated by the Loan Documents, including authorization by the Brazilian Central Bank, copies of the Borrower's latest import and export licenses, and copies of all

approvals and consents of all other Persons necessary for the making or maintenance of the Loans, if any;

- (e) **Tobacco Pledge Agreement.** An original of the Tobacco Pledge Agreement, duly executed and delivered by the parties thereto, together with evidence (i) of registration thereof with the competent Real Estate Registry in Brazil and (ii) that the Goods pledged thereby are sufficient to comply with the requirements of Section 5(k) hereof.
- (f) **Assigned Export Contracts.** Certified copies of the Assigned Export Contracts, duly executed and delivered by the Borrower and each Eligible Off-taker, together with evidence that the Processed Tobacco to be sold and exported thereunder has an aggregate Market Value sufficient to comply with the requirements of Section 5(l) hereof;
- (g) **Appointment of Process Agent.** Satisfactory written evidence that the Process Agent has accepted its irrevocable appointment as the agent for the receipt of any and all legal process for the Borrower and the Guarantor pursuant to Section 10.8 hereof and pursuant to the Assignment and Security Agreement;
- (b) **Registration.** Evidence that a UCC-1 financing statement naming the Borrower as debtor has been filed with the Recorder of Deeds of the District of Columbia;
- (i) **Insurance Policies.** Certified copies of the Insurance Policies and evidence that such insurance policies are in full force and effect;
- (j) **Financial Statements.** Certified copies of the Financial Statements of the Borrower;
- (k) **Tax Returns.** Certified copies of the most current income tax return for the Guarantor;
- (l) **Powers of Attorney.** Certified copies of all powers of attorney from the Borrower and the Guarantor (if the Lender deems such powers of attorney necessary);
- (m) **Note.** The Note duly executed by all parties thereto; and
- (n) **Other Documents.** Such other documents as the Lender may reasonably request.

4.2 Other Conditions

The obligation of the Lender to make each Loan during each Facility Year is also subject to the satisfaction (as determined by the Lender in its sole discretion but acting reasonably) of the following conditions precedent, and the disbursement by the Lender of any Loan shall constitute a representation by each of the Borrower and the Guarantor that each of the following conditions shall have been satisfied on and as of the relevant Drawdown Date:

- (a) **Representations and Warranties.** The representations and warranties contained in Section 3 of this Agreement or otherwise made by the Borrower and the Guarantor in connection with the transactions contemplated by the Loan Documents shall be correct as of such Drawdown Date (both before and after giving effect to the relevant Loan) with the same effect as if made at and as of such time;

- (b) **No Prohibition.** No applicable law, regulation, directive, communication or action has been imposed, issued or taken by any Person (including but not limited to any Governmental Authority) that would have a Material Adverse Effect or that prohibits or prevents the usage of such Loan as set forth in Section 3.4 hereof;
- (c) **No Material Adverse Effect.** There has been no Material Adverse Effect or, in the judgment of the Lender, no material adverse change or development involving a prospective material adverse change in the (i) financial, political or economic conditions in the United States, Brazil, or any other country in which the Borrower or the Lender has operations or conducts business, (ii) Brazilian or international commodity markets for the Goods, (iii) international financial or commodity markets generally, or (iv) loan syndication or capital markets with respect to Brazilian or Latin American issuers;
- (d) **No Default.** The Borrower shall have performed and complied with all terms and conditions required to be performed or complied with by it herein prior to or at the time of the relevant Drawdown, and at the time of the relevant Drawdown, both before and after giving effect thereto, there shall exist no Default;
- (e) **Required Fees.** The Borrower shall have paid all fees and expenses then due and payable to the Lender, and the legal expenses payable in accordance with Section 10.3;
- (f) **Security Interest.** The Lender shall have a perfected security interest under each of the applicable Security Agreements, in its sole discretion, in all of the Collateral pledged or assigned under such agreements with each such security interest having the priority as provided for in the relevant Security Agreement, and, both before and after giving effect to the relevant Drawdown, the Borrower shall be in compliance with its obligations under Section 5(k) and 5(l) hereof; and
- (g) **Proceedings and Documents.** All proceedings in connection with the transactions contemplated by this Agreement and all documents incident thereto shall be satisfactory in form and substance to the Lender, and the Lender shall have received all information and such original documents or certified or other copies thereof as the Lender may reasonably request.

5. AFFIRMATIVE COVENANTS

Each of the Borrower and the Guarantor jointly and severally covenants and agrees (except for the Guarantor with respect to items (a), (c), (g) and (h)) that so long as any Obligation is outstanding:

- (a) **Financial Statements.** The Borrower will deliver to the Lender:
 - (i) as soon as available, and in any event no later than 120 days after the end of each fiscal year, its audited balance sheet, as of the end of its fiscal year, and the related statement of earnings, shareholders' equity and changes in financial condition prepared in accordance with GAAP, in each case setting forth in comparative form the figures for the previous fiscal year, and accompanied by a report thereon of independent certified public accountants of recognized international standing selected by it and reasonably satisfactory to the Lender which report shall be unqualified and shall state that such consolidated and unconsolidated financial statements present fairly the financial position of it and its Subsidiaries as at the dates indicated and the results of their operations and their changes in financial condition for the periods indicated in conformity with GAAP, applied on a basis consistent with prior years (except for

inconsistencies required by changes in GAAP) and that the examination by such accountants in connection with such consolidated and unconsolidated financial statements has been made in accordance with generally accepted auditing standards; and

- (ii) soon as available, and in any event no later than 60 days after the end of each of the first three (3) quarters of each fiscal year, its unaudited consolidated and unconsolidated balance sheet as at the end of such quarter, and the related unaudited statements of income and cash flows for such quarter and for the period from the beginning of the current fiscal year to the end of such period, all in reasonable detail, prepared in accordance with GAAP, duly certified by its chief financial officer as having been prepared in accordance with GAAP and accompanied by a certificate signed by a Responsible Officer reciting that such officer is familiar with this Agreement and the business and operations of the Borrower, and that, to the best of such officer's knowledge, no event has occurred during such period which constitutes a Default.
- (b) **Additional Information.** It will (i) promptly after it knows or has reason to know that any Default has occurred, deliver to the Lender a certificate signed by it or, in the case of the Borrower, by a Responsible Officer, notifying the Lender as to the occurrence of such Default, describing the same in reasonable detail and describing the actions that it proposes to take with respect thereto, (ii) immediately after the commencement thereof, deliver to the Lender notice in writing of all actions, suits and proceedings before any court or Governmental Authority which, if determined adversely to it, would have a Material Adverse Effect, and (iii) provide such other information with respect to its respective business, Properties, condition or operations, financial or otherwise or, in the case of the Borrower, with respect to its Subsidiaries, if any, as the Lender may reasonably request.
- (c) **Inspection.** It will permit any officers or employees of the Lender to visit and inspect its and, in the case of the Borrower, any of its Subsidiaries' Property during normal business hours, and to discuss matters pertinent to an evaluation of the credit hereunder or relating to compliance with this Agreement and the other Loan Documents and, to the fullest extent permitted by law and appropriate Governmental Authority, to review all books of record and account and any available reports or statements relevant thereto, all at such reasonable times and as often as the Lender may reasonably request.
- (d) **Corporate Existence, Taxes and Maintenance of Properties.** It will (and the Borrower will cause its Subsidiaries to):
 - (i) do or cause to be done all things necessary to preserve and keep in full force and effect the corporate existence, rights, franchises and licenses, except where the failure to preserve such existence, rights, franchises or licenses could not reasonably have, individually or in the aggregate, a Material Adverse Effect;
 - (ii) promptly pay, discharge, or cause to be paid and discharged, all taxes, assessments and governmental charges lawfully levied or imposed upon its Property or any part thereof before the same shall become in default, as well as all lawful claims for labor, materials and supplies which, if unpaid, might become a Lien or charge upon such Property or any part thereof. It may in good faith and by appropriate proceeding contest any such taxes, assessments, charges or claims, and in the event of such contest may permit the

same to remain unpaid, so long as enforcement of such contested item is effectively stayed during the period of such contest; and

- (iii) maintain, preserve and keep its Properties which are necessary for it to conduct its business in good repair and working order (ordinary wear and tear excepted) and from time to time will make all necessary repairs, replacements, renewals and additions so that at all times the efficiency thereof shall be maintained.
- (e) **Compliance With Laws; Maintenance of Approvals.** It will comply with any and all regulations, rules, laws and orders applicable to it, including any and all regulations, rules, laws and orders pertaining to social security, retirement and pension matters; and it will maintain all Governmental Approvals required for the making and/or maintenance of the Loans and the performance of all obligations and transactions contemplated by the Loan Documents.
- (f) **Environmental Laws.** It will comply in all material respects with all applicable Environmental Laws and obtain and comply in all material respects with and maintain, any and all licenses, approvals, registrations or permits required by applicable Environmental Laws, except where such noncompliance with Environmental Laws, or failure to obtain and so comply with and maintain such licenses, approvals, registrations or permits would not, individually or in the aggregate, have a Material Adverse Effect.
- (g) **Books and Records.** It will keep proper books of record and account in which full, true and correct entries in conformity with GAAP and the requirements of applicable law shall be made of all dealings and transactions in relation to its business.
- (h) **Insurance; Credit Default Insurance.**
 - (i) It will maintain insurance coverage by financially sound and reputable insurers in such forms and amounts, with such deductibles and against such risks, as are customary for business entities of established reputation engaged in the same or a similar business and owning and operating similar Properties, including the Insurance Policies; and
 - (ii) It will obtain and maintain a Credit Default Insurance with respect to each Export Contract with an Unapproved Off-taker that is to become an Assigned Export Contract.
- (i) **Ranking.** It will ensure that the Obligations shall at all times rank in right of (i) payment, at least *pari passu* with all its other obligations or Indebtedness, except obligations or Indebtedness mandatorily preferred by operation of applicable Brazilian law, and (ii) collateral security, senior (to the extent of the Collateral) to all its other obligations or Indebtedness.
- (j) **Security Interest.**
 - (i) It will perform any and all reasonable acts and execute any and all reasonable documents (including the execution, amendment or supplementation of any financing statement and continuation statement or other statement) for filing under the provisions of the UCC and the statutes, rules or regulations of any applicable foreign, federal, state or local jurisdictions, from time to time, in order to grant and maintain in favor of the Lender, a first priority security interests in each item of the Collateral perfected to the extent contemplated by the Security Agreements;

- (ii) Within fifteen (15) days after the Execution Date, it will complete the due registration of the Assignment and Security Agreement (which shall (x) have the signatures of the parties thereto that have not executed such agreement in Brazil duly notarized by a notary public licensed as such under the laws of the place of signing and the signature of such notary public authenticated by a consular official of Brazil, and (y) be translated into Portuguese by a public sworn translator) in Brazil with the competent Titles and Deeds Registry;
 - (iii) It will deliver to the Lender evidence that the registration required in paragraph (ii) above has been completed in good order and that it has granted to the Lender a security interest in each item of Collateral purported to be created thereby;
 - (iv) Promptly upon request of the Lender, it will register this Agreement or any of the other Loan Documents (and a sworn translation hereof or therefore in Portuguese, if executed in English) with the appropriate Titles and Deeds Registry in the cities where each party thereto is domiciled, and pay all expenses incurred in connection with such translation and filings;
 - (v) It will provide to the Lender conformed copies of the Assigned Export Contracts meeting the requirements of Section 5(l) hereof at any time that a Export Contract becomes an Assigned Export Contract in accordance with Section 5(l) hereof, provided that the Borrower shall give advance notice to the Lender of the identity of each Person that is to become an Eligible Off-taker (and such other matters as requested from time to time by the Lender) for the Lender to accept such Person as an Eligible Off-taker, in its sole discretion, within thirty (30) days of receipt of such notice;
 - (vi) No later than and at all times following the last date of the Loan Availability Period of each Facility Year, the Borrower shall replace all of the Green Tobacco pledged to the Lender during such Facility Year pursuant to the Tobacco Pledge Agreement with Processed Tobacco so that the Borrower satisfies all of the conditions and coverage ratios set forth in Section 5(k) hereof exclusively with Processed Tobacco; and
 - (vii) It will deliver or cause to be delivered to the Lender from time to time such other documentation, consents, authorizations, approvals and orders in form and substance satisfactory to the Lender, as the Lender shall deem reasonably necessary or advisable to perfect or maintain the Liens on the Collateral for the benefit of the Lender.
- (k) **Collateral Coverage Ratio For Goods.** Subject to the requirements of Section 5(j)(vi), it will ensure that at all times the aggregate Market Value of the Goods that are pledged pursuant to the Tobacco Pledge Agreement is at least one hundred twenty percent (120%) of the aggregate outstanding principal amount of the Loans less any amount held in the Collection Account; provided that if such aggregate Market Value of the Goods pledged pursuant to the Tobacco Pledge Agreement is ever below one hundred fifteen percent (115%) of the aggregate outstanding principal amount of the Loans, taking into account any amount held in the Collection Account for the next occurring date for repayment of principal, then not later than three (3) Business Days after receipt of written notice of such fact from the Lender, the Borrower will promptly (i) arrange for additional Goods to be subject to the Pledge Agreement so that the aggregate Market Value of the Goods that are pledged pursuant to the Tobacco Pledge Agreement is at least one hundred twenty percent (120%) of the then aggregate

outstanding principal amount of the Loans less any amount held in the Collection Account, and shall promptly provide to the Lender evidence thereof; (ii) deposit additional U.S. Dollars into the Collection Account so that such coverage ratio is met; or (iii) prepay Loans in accordance with Section 2.10 in such amount as will reduce the outstanding amount of the Loans to the amount so that such coverage ratio is satisfied; provided that the Lender shall not be required to release Goods held as Collateral in accordance with Section 2.11 hereof as a result of such prepayment.

- (l) **Assignment of Export Contracts.** It will insure that, at all times, the Assigned Export Contracts are for the sale of Processed Tobacco with an aggregate Market Value of at least one hundred twenty percent (120%) of the aggregate outstanding principal amount of the Loans less any amount held in the Collection Account. If such aggregate Market Value of the Processed Tobacco to be sold under the Assigned Export Contracts is ever below one hundred fifteen percent (115%) of the aggregate outstanding principal amount of the Loans, taking into account any amount held in the Collection Account for the next occurring date for repayment of principal, then not later than ten (10) Business Days after receipt of written notice of such fact from the Lender, the Borrower will promptly (i) arrange for the amendment of such Assigned Export Contracts or execution of such other Assigned Export Contracts, in form and substance satisfactory to Lender, to increase the amount of Processed Tobacco covered thereby so that such coverage ratio is at least one hundred twenty percent (120%) of the aggregate outstanding amount of the Loans less any amount held in the Collection Account and provide the Lender with a copy thereof; (ii) deposit additional U.S. Dollars into the Collection Account so that such coverage ratio is met; or (iii) prepay Loans in accordance with Section 2.10 in such amount as will reduce the outstanding amount of the Loans to the amount so that such coverage ratio is satisfied; provided that the Lender shall not be required to release Processed Tobacco held as Collateral in accordance with Section 2.11 hereof as a result of such prepayment.
- (m) **Processing and Transport of Processed Tobacco.** It will ensure that at any one time, the Market Value of (i) Green Tobacco released for processing into Processed Tobacco shall not exceed ten percent (10%) of the Green Tobacco pledged pursuant to the Tobacco Pledge Agreement, and (ii) Processed Tobacco released against Shipping Documents for transport to the port shall not exceed ten percent (10%) of the Processed Tobacco pledged pursuant to the Tobacco Pledge Agreement.
- (n) **Private Sale of Goods.** It will, upon the occurrence of a Default, promptly issue or cause to be issued all necessary documents and invoices necessary and appropriate for the private sale of the Goods pledged to the Lender under the Tobacco Pledge Agreement with the proceeds of such sale being used to satisfy all outstanding Obligations of the Borrower.
- (o) **Compliance With Anti-Terrorism Laws.** (i) It will not knowingly conduct business with or engage in any transaction with any Person named on any of the OFAC Lists or any Persons determined by the Secretary of the Treasury of the United States pursuant to Executive Order 13224 to be owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the Persons referred to or described in the OFAC Lists; (ii) if it obtains actual knowledge or receives any written notice that it or any other Person holding any legal or beneficial interest whatsoever therein (whether directly or indirectly) is named on any of the OFAC Lists (such occurrence, an OFAC Violation), it will immediately (A) give written notice to the Lender of such OFAC Violation, and (B) comply with all applicable laws with respect to such OFAC Violation (regardless of

whether the party included on any of the OFAC Lists is located within the jurisdiction of the United States of America), including the Anti-Terrorism Laws. It hereby authorizes and consents to the Lender taking any and all steps it deems necessary, in its sole discretion, to comply with all applicable laws with respect to any such OFAC Violation, including the requirements of the Anti-Terrorism Laws (including the "freezing" and/or "blocking" of Assets); and (iii) it will comply at all times with the requirements of all Anti-Terrorism Laws, and will, upon the Lender's request from time to time during the term of this Agreement, deliver a certification confirming its compliance with the covenants set forth in this Section 5(o).

- (p) **Further Assurances.** It will cooperate with the Lender and execute and deliver such further instruments and documents as the Lender shall reasonably request to carry out the transactions contemplated by this Agreement.

6. NEGATIVE COVENANTS

Each of the Borrower and the Guarantor covenants and agrees that so long as any Obligation is outstanding, it will not:

- (a) **Transactions with Affiliates.** Enter into any transaction or series of related transactions with any Affiliate of the Borrower, other than in the ordinary course of its respective businesses and on terms and conditions substantially as favorable to it as would reasonably be obtained at that time in a comparable arm's length transaction with a Person other than such Affiliate.
- (b) **Mergers; Etc.** Enter into any merger, consolidation, or amalgamation (except for any merger, consolidation or amalgamation in which it is the surviving party, or any merger of a Subsidiary into (i) another Subsidiary or (ii) itself), or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or enter into any reorganization or corporate restructuring, or sell all or substantially all of its Property or Assets.
- (c) **Change in Nature of Business.** Make any material change in the nature of its business as carried on at the date hereof.
- (d) **Limit on Accounting Changes.** Make any change in accounting treatment or reporting practices, change its fiscal year or promote any revaluation of its Assets, except as permitted by GAAP.
- (e) **Liens.** Create, incur, assume or permit to exist any Lien on any part of the Collateral or any part of the Loan Documents.

7. EVENTS OF DEFAULT

If:

- (a) the Borrower or the Guarantor shall (i) fail to pay any principal of any Loan when due or (ii) fail to pay any interest on any Loan or any other Obligation payable by it hereunder or under any other Loan Document when due; or
- (b) the Borrower or the Guarantor shall fail to duly observe or perform (i) any covenants, agreements or obligations contained in Section 5(h)(ii), 5(j), 5(k), 5(l), 5(m) or Section 6 of this Agreement or in any of the Security Agreements, or (ii) any other covenants, agreements or

obligations contained in this Agreement or any other Loan Document (other than as provided in subsections 7(a) and 7(b)(i)), or any other instrument or document delivered in connection herewith or therewith, and in the case of item (ii) such failure continues for a period of thirty (30) days; or

- (c) the Borrower or the Guarantor has made any representation or warranty in any Loan Document or in any other writing furnished pursuant to or in connection therewith which shall prove to have been incorrect in any respect on the date when made or deemed made; or
- (d) the Borrower or the Guarantor shall have defaulted in the payment of the principal of or the interest on any of its Indebtedness, when due, whether by scheduled maturity, required prepayment, acceleration, demand or otherwise, or any other default shall have occurred under the terms of any instrument or agreement evidencing or setting forth terms and conditions applicable to any of its Indebtedness, or any other event shall occur or condition exist, if the effect of such default, condition or event is to cause or permit the holder or holders of such Indebtedness (or anyone acting on behalf of such holder or holders) to cause such Indebtedness to become due prior to its date of maturity; or
- (e) one or more judgments or orders from which no further appeal is permissible under applicable law for the payment of money aggregating in excess of US\$1,000,000.00 (one million U.S. Dollars) (or its equivalent in another currency) shall be rendered against the Borrower or the Guarantor and such judgment or order shall continue unsatisfied and in effect for a period of thirty (30) calendar days; or
- (f) the Borrower or the Guarantor shall: (i) generally not, or be unable to, or shall admit in writing its inability to, pay its debts as such debts become due, including by presenting an extrajudicial recovery plan to its creditors or by convening such creditors to negotiate such a plan; (ii) make an assignment for the benefit of creditors, or petition or apply to any tribunal for the appointment of a custodian, receiver, trustee or other similar official for it or any substantial part of its Assets or request any court to ratify any extrajudicial recovery plan; (iii) commence any proceeding under any bankruptcy, insolvency, judicial or extrajudicial recovery, reorganization, arrangement, readjustment of debt, dissolution, winding-up or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; (iv) have had any such petition or application (as described in (ii) above) filed or any such proceeding (as described in (iii) above) shall have been commenced, against it, in which an adjudication or appointment is made or order for relief is entered, or which petition, application or proceeding is not judicially contested within twenty-four (24) hours of such filing or commencement or dismissed within sixty (60) days; or (v) by any act or omission indicate its consent to, approval of or acquiescence in any such petition, application or proceeding or order for relief or the appointment of a custodian, receiver or trustee for all or any substantial part of its Property; or
- (g) any of the Loan Documents shall cease, for any reason other than the agreement of the Lender or satisfaction in full of all the Obligations, to be in full force and effect, or the Borrower or the Guarantor shall so assert; or any of the Security Agreements shall not give or shall cease in any material respect to give the Lender the Liens, rights, powers and privileges purported to be created thereby (including a perfected security interest in, and Lien on, all of the Collateral subject thereto with the priority as provided therein) or the validity or enforceability of the Liens granted, to be granted, or purported to be granted, by any Security Agreement shall be contested by the Borrower or the Guarantor; or

- (h) all or any substantial part of the undertaking, Assets or revenues of the Borrower or the Guarantor is condemned, seized or otherwise appropriated by any Person acting under the authority of any Governmental Authority, or the Borrower or the Guarantor is prevented by any such Person from exercising normal control over all or any substantial part of its undertaking, Assets or revenues; or
- (i) (i) any Governmental Authority (including the Central Bank of Brazil) shall (A) declare a general suspension of payment or a moratorium on the payment of debt of the Borrower or the Guarantor (which does not expressly exclude this Agreement) or (B) fail to exchange, or to approve or permit the exchange of, Reais for Dollars, or take any other action including the promulgation, operation or enforcement of any law, act, decree, regulation, ordinance, order, policy, or determination, or any modification of, or change in the interpretation of, any of the foregoing that has the effect of restricting or preventing such exchange or the transfer of any funds outside Brazil, beyond the extent to which such restrictions exist on the Execution Date, or (ii) United States Dollars shall be unavailable in any legal exchange market therefor in Brazil in accordance with normal commercial practice; or
- (i) a Material Adverse Effect shall have occurred; or
- (k) a Change in Control shall have occurred without the prior express approval of the Lender;

thereupon and at any time thereafter and in every such event (each an Event of Default), (i) if such event is an Event of Default specified in Section 7(f), the Lender's commitment to make the Loans shall terminate and if any Loan is then outstanding, the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and/or the Note shall immediately become due and payable without presentment, demand, protest, or other notices or formalities of any kind, all of which are hereby expressly waived by the Borrower and the Guarantor, and (ii) if such event is any other Event of Default, the Lender may, by notice to the Borrower or the Guarantor, terminate its commitment to make the Loans or, as the case may be, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the Note to be due and payable forthwith, whereupon the same shall immediately become due and payable without presentment, demand, protest, or other notices or formalities of any kind, all of which are hereby expressly waived by the Borrower and the Guarantor. The foregoing shall not limit the Lender's right to exercise any of its remedies under any of the other Loan Documents.

8. TAXES

8.1 Taxes

- (a) All payments due hereunder or under the Note to or for the account of the Lender shall be made without deduction for or on account of any present or future income, stamp, value-added, registration, transfer and other taxes, levies, imposts, duties, fees, withholdings, assessments or other charges of whatever nature, or any interest, penalty, or similar liability with respect thereto, now or hereafter imposed by any taxing authorities in any jurisdiction (other than such taxes as may be measured by the overall net income of the Lender and imposed in the jurisdiction in which the Lender's principal office is located) and any and all extraordinary taxes which may be imposed on this transaction or payments contemplated hereunder or under the Note (Taxes).
- (b) If Taxes are required to be withheld or deducted from any such payment, the Borrower or the Guarantor, as the case may be, shall pay to the Lender such additional amount as may be necessary to ensure that

the net amount actually received by the Lender in respect of such payment free and clear of Taxes, is equal to the amount which the Lender would have received if Taxes had not been withheld or deducted from such payment. Without limiting the foregoing sentence, the Borrower or the Guarantor, as the case may be, shall pay all Taxes due in respect of any such payment (including all Taxes payable on account of any such payment of Taxes) on or before the respective due dates thereof and, upon making any such deduction, withholding or payment of Taxes, the Borrower or the Guarantor, as the case may be, shall furnish to the Lender, within thirty (30) calendar days thereafter, an original or certified copy of a receipt from the relevant taxing authority evidencing such deduction, withholding or payment.

- (c) If any Taxes are paid directly by the Lender, or if the Borrower or the Guarantor fails to comply with the provisions of this Section 8.1, the Borrower shall, within thirty (30) calendar days after written demand of the Lender, reimburse the Lender for all such payments, and indemnify the Lender for any related interest, penalty or similar liability.

8.2 Other Taxes

Without limiting Section 8.1, the Borrower and the Guarantor shall pay, and indemnify the Lender against, any and all stamp, excise, registration, transfer, capital, net worth and similar taxes including taxes on financial outstandings, taxes assessed on loans to Brazilian borrowers, court taxes and any extraordinary tax (Other Taxes) which may be payable or determined to be payable on or in connection with the execution, delivery, performance or enforcement of this Agreement, the Note, the lending or borrowing hereunder, or the acquisition of debt obligations of a foreign obligor imposed by any jurisdiction. The Borrower and the Guarantor shall further pay, and indemnify the Lender against, any and all penalties and liabilities with respect to or resulting from delay or omission to pay such Other Taxes.

9. GUARANTY

9.1 Guaranty

For value received and hereby acknowledged and as an inducement to the Lender to make the Loans available to the Borrower, the Guarantor hereby unconditionally and irrevocably guaranties, as primary obligor and not merely as surety, (i) the full and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of all Obligations of the Borrower, (ii) the strict performance and observance by the Borrower of its obligations under this Agreement and the other Loan Documents and of all agreements, warranties and covenants applicable to the Borrower in this Agreement and the other Loan Documents; and (iii) the strict payment and performance of all such obligations under this Agreement and the other Loan Documents which would become due but for the operation of the automatic stay pursuant to Section 362(a) of the United States Bankruptcy Code and the operation of Sections 502(b) and 506(c) of the United States Bankruptcy Code of 1978 or any similar legislation applicable to the Borrower or the Guarantor (such obligations collectively being the Guaranteed Obligations).

9.2 Guaranty Absolute

The Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms hereof and of the Note, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The liability of the Guarantor under this Section 9 with regard to the Guaranteed Obligations of the Borrower shall be absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of this Agreement, the Note, the Loan Documents, or any other agreement or instrument relating thereto;
- (b) any change in the time of, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations or any other amendment or waiver of or any consent to departure from this Agreement, the Note and/or any other Loan Document (with regard to such Guaranteed Obligations);
- (c) any exchange, release or nonperfection of any Collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
- (d) any acceptance of any partial payment from the Borrower; or
- (e) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Borrower or the Guarantor in respect of the Guaranteed Obligations.

The obligations of the Guarantor contained in this Section 9 shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or the Guarantor or otherwise, all as though such payment had not been made.

9.3 Effectiveness, Enforcement

The obligations of the Guarantor under this Section 9 shall be effective as of the date hereof and shall be deemed to be made with respect to the Loans as of the time they are made or issued. No invalidity, irregularity or unenforceability by reason of any bankruptcy or similar law, or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect any liability of the Borrower or of the Guarantor, and no defect in or insufficiency or want of powers of the Borrower or the Guarantor or irregular or improperly recorded exercise thereof, shall impair, affect, be a defense to or claim against such guaranty. The agreements of the Guarantor contained in this Section 9 constitute a continuing guaranty and shall remain in full force and effect until payment in full of, and performance of, all Guaranteed Obligations and all other amounts payable under this Section 9. The agreements of the Guarantor contained in this Section 9 are made for the benefit of the Lender and its successors and assigns, and may be enforced from time to time as often as occasion therefor may arise and without requirement on the part of the Lender first to exercise any rights against the Borrower or to exhaust any remedies available to it against the Borrower or to resort to any other source or means of obtaining payment of any of the Guaranteed Obligations or to elect any other remedy. The Guarantor irrevocably authorizes the Lender to take any action in respect of the Guaranteed Obligations or any Collateral or guaranties securing them or any other action that might otherwise be deemed a legal or equitable discharge of a surety, without notice to or the consent of the Guarantor and irrespective of any change in the financial condition of any party. This Guaranty shall be enforceable against the Guarantor to the maximum extent permitted by fraudulent transfer laws. For purposes of this Section 9, **fraudulent transfer laws** means applicable Brazilian or United States bankruptcy and State fraudulent transfer and conveyance statutes and the related case law.

9.4 Waivers

To the fullest extent permitted by law, the Guarantor hereby irrevocably waives promptness, diligence, presentment, demand, protest, notice of acceptance and any other notice with respect to any of the

Guaranteed Obligations and the obligations under this Section 9 and any requirement that the Lender protect, secure, perfect or otherwise take action to ensure any security interest or Lien on any Property subject thereto or exhaust any right or take any action against the Borrower or any other Person or any Collateral. The Guarantor also irrevocably waives, to the fullest extent permitted by law, all defenses which at any time may be available to it in respect of the Guaranteed Obligations and the obligations under this Section 9 by virtue of any statute of limitations, valuation, stay, moratorium law or other similar law now or hereafter in effect. In addition, the Guarantor irrevocably and unconditionally waives all benefits under Articles 333, 366, 821, 824, 827, 828, 829, 834, 835, 837, 838 and 839 of the Brazilian Civil Code and Article 595 of the Brazilian Code of Civil Procedure.

9.5 Subordination

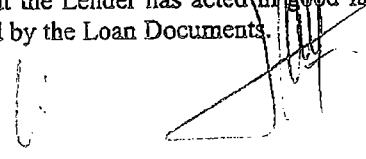
The (i) payment of any amounts due with respect to any Indebtedness of the Borrower for money borrowed or credit received now or hereafter owed to the Guarantor and (ii) exercise by the Guarantor of any rights against the Borrower arising as a result of payment by the Guarantor hereunder by way of subrogation, reimbursement, restitution, contribution or otherwise are hereby subordinated to the prior payment in full of all of the Obligations including those for purposes of Law No. 11.101/2005, Article 83, VIII(a). The Guarantor agrees that, after the occurrence of any default in the payment or performance of any of the Obligations, the Guarantor will not demand, sue for or otherwise attempt to collect any such Indebtedness of the Borrower to the Guarantor until all of the Obligations shall have been indefeasibly paid in full. If, notwithstanding the foregoing sentence, the Guarantor shall collect, enforce or receive any amounts in respect of such Indebtedness while any Obligations are still outstanding, such amounts shall be collected, enforced and received by the Guarantor as trustee for the Lender and be paid over to the Lender on account of the Obligations without affecting in any manner the liability of the Guarantor under the other provisions hereof.

9.6 No Marshalling

Except to the extent required by applicable law, the Lender shall not be required to marshal any Collateral securing, or any guaranties of, the Guaranteed Obligations, or to resort to any item of Collateral or any guaranty in any particular order, and the Lender's rights with respect of any Collateral and guaranties will be cumulative and in addition to all other rights, however existing or arising. To the extent permitted by applicable law, the Guarantor irrevocably waives, and agrees that it will not invoke or assert, any law requiring or relating to the marshaling of Collateral or guaranties or any other law which might cause a delay in or impede the enforcement of the Lender's rights under this Section 9, under any of the other Loan Documents or under any other agreement.

9.7 Representations and Warranties

The Guarantor represents, warrants and agrees to the Lender that (i) it will receive valuable direct and indirect benefits as a result of the transactions financed by the Loans under the Loan Documents; (ii) these benefits will constitute "reasonably equivalent value" and "fair consideration" as those terms are used in fraudulent transfer laws; (iii) it has not made a transfer or incurred an obligations under the Guaranty with the intent to hinder, delay or defraud any of its present or future creditors. The Guarantor acknowledges and agrees that the Lender has acted in good faith in connection with the Guaranty and the transactions contemplated by the Loan Documents.



9.8 Nature of Guarantor's Obligations

The obligations of the Guarantor under the Guaranty are independent of any obligation of the Lender or any other Person, and a separate action or actions may be brought and prosecuted against the Guarantor under this Guaranty whether or not any action is brought or prosecuted against the Lender or any other Person and whether or not the Lender or any other Person is joined in any action under the Guaranty. This Guaranty is a guaranty of payment and not merely of collection.

9.9 Additional Security

This Guaranty is in addition to and are not in any way prejudiced by any other guaranty or security now or subsequently held by any party.

9.10 Set Off

The Lender may set off any matured obligation owed by the Guarantor under this Guaranty (to the extent beneficially owned by the Lender) against any obligation (whether or not matured) owed by the Lender to the Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Lender may set off in an amount estimated by it in good faith to be the amount of that obligation.

9.11 Election of Remedies

The Guarantor understands that the exercise by the Lender of certain rights and remedies contained in the Loan Documents may affect or eliminate the Guarantor's right of subrogation and reimbursement against the parties and that the Guarantor may therefore incur a partially or totally nonreimbursable liability under this Guaranty. The Guarantor expressly authorizes the Lender to pursue its rights and remedies with respect to the Guaranteed Obligations in any order or fashion it deems appropriate, in its sole and absolute discretion, and waives any defense arising out of the absence, impairment, or loss of any or all rights of recourse, reimbursement, contribution, exoneration or subrogation or any other rights or remedies of the Guarantor against the Borrower, any other person or any security, whether resulting from any election of rights or remedies by the Lender or otherwise.

10. MISCELLANEOUS

10.1 Assignments/Participations by Lender

- (a) The Lender may, at any time, assign or transfer all or part of its rights or obligations under this Agreement (including all or any portion of the Note) and the other Loan Documents to one or more banks or other Persons. In this case, the Borrower and the Guarantor shall, at the request of the Lender, execute one or more replacement Notes in connection with any such assignment or transfer.
- (b) The Lender may sell participations to one or more banks or other Persons in all or a portion of its rights and obligations under this Agreement and the other Loan Documents.

10.2 Parties-in-Interest; Borrower Assignment

This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the parties hereto (including the heirs, executors, administrators, conservators and personal representatives of the Borrower and the Guarantor); *provided*, that neither the Borrower nor the Guarantor may assign or transfer any of its rights or obligations hereunder or under any of the Loan Documents without the prior written consent of the Lender.

10.3 Fees and Expenses

The Borrower agrees to pay, or reimburse the Lender for paying, all reasonable costs and expenses of the Lender (including reasonable attorneys' fees and expenses, the fees and expenses of the Collateral Manager and third party consultants, if any) incurred in connection with (a) the preparation and negotiation of the Loan Documents and the other documents prepared in connection therewith or pursuant thereto, (b) any amendments, modifications, approvals, consents or waivers pursuant hereto or thereto, and (c) any Default and/or any enforcement or collection proceedings resulting therefrom.

10.4 Right of Set-Off

Each of the Borrower and the Guarantor hereby grants to the Lender a continuing Lien, security interest, and right of setoff as security for all liabilities and obligations to the Lender (including the Obligations and the Guaranteed Obligations), whether now existing or hereafter arising, upon and against any and all deposits, credits, collateral and Property, now or hereafter in the possession, custody, safekeeping or control of the Lender or any entity under the control thereof or in transit to any of them. At any time after an Event of Default has occurred and is continuing, without demand or notice (any such notice being expressly waived by the Borrower and the Guarantor), the Lender may setoff them or any part thereof and apply them to any liability or obligation of the Borrower or the Guarantor (including the Obligations or the Guaranteed Obligations) even though unmatured and regardless of the adequacy of any collateral for the Obligations or the Guaranteed Obligations. ANY AND ALL RIGHTS TO REQUIRE THE LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY COLLATERAL FOR SUCH OBLIGATIONS OR GUARANTEED OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER OR THE GUARANTOR, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

10.5 Survival of Covenants

All covenants, agreements, representations and warranties made herein and in any certificates or other papers delivered by or on behalf of the Borrower and the Guarantor pursuant hereto are material and shall be deemed to have been relied upon by the Lender, notwithstanding any investigation heretofore or hereafter made by it, and shall survive the making by the Lender of the Loans as herein contemplated, and shall continue in full force and effect so long as any Obligation remains outstanding. All statements contained in any certificate or other paper delivered by the Borrower or the Guarantor pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties by the Borrower or the Guarantor hereunder.

10.6 Notices

All notices and other communications made or required to be given pursuant to this Agreement shall be in writing and shall be mailed, transmitted by fax or SWIFT or delivered as follows:

(a) if to the Borrower or the Guarantor:

Brasfumo Indústria Brasileira de Fumo S.A.
Av. das Indústrias, 130
Venâncio Aires, Rio Grande do Sul 95800-000
Brazil
Telephone: +55 51 3471-2475
Fax: +55 51 3741 2364
E-mail: marcos@brasfumo.com.br
Attention: Marcos Garofalo

or at such other address for notice as the Borrower or the Guarantor shall last have furnished in writing to the Lender, or

(b) if to the Lender:

FirstRand (Ireland) Plc
c/o Rand Merchant Bank
1 Merchant Place
12th Floor
c/o Fredman & Rivonia Drive
SANDTON, 2196
South Africa
Tel: +27 11 282-8663
Fax: +27 11 384-3202
Email: stcf-tm@rmb.co.za
Email: olebogeng.malao@rmb.co.za
Attention: Olebogeng Malao

or at such other address for notice as the Lender shall last have furnished in writing to the Borrower and the Guarantor.

All such notices and communications shall, when mailed, transmitted by fax or SWIFT or sent by overnight courier, be effective when deposited in the mails, delivered to any internationally recognized overnight courier, or transmitted by SWIFT or fax (confirmed by fax transmission confirmation), except that all notices to the Lender shall not be effective until received. The Lender shall be entitled to rely and act upon any notices (including telephonic notices of borrowings, conversions and continuations) purportedly given by or on behalf of the Borrower or the Guarantor even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. Each of the Borrower and the Guarantor shall indemnify each Indemnified Party from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower or the Guarantor. All telephonic notices to and other communications with the Lender may be recorded by the Lender, and the Borrower and the Guarantor hereby consent to such recording.

10.7 New York Law Contract

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, United States of America, including Section 5-1401 of the New York General Obligations Law, but excluding any conflicts of law principles that would lead to the application of the laws of another jurisdiction.

10.8 Consent to Jurisdiction

- (a) Each of the Borrower and the Guarantor agrees that any action or proceeding relating in any way to this Agreement may be brought and enforced in the state courts sitting in the City of New York, New York, United States of America, in the United States District Court for the Southern District of New York or in any court of Brazil, at the sole discretion of the Lender. Each of the Borrower and the Guarantor further irrevocably submits to the non-exclusive *in personam* jurisdiction of each such court and the appellate courts thereof. Each of the Borrower and the Guarantor further irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any action or proceeding relating in any way to this Agreement in any such court, and any claim that any such action or proceeding brought in any such court has been brought in an inconvenient forum and agrees not to claim or plead the same. Each of the Borrower and the Guarantor agrees that nothing herein shall affect the right of any party hereto to bring suit in any other jurisdiction.
- (b) Each of the Borrower and the Guarantor hereby irrevocably appoints Corporation Service Company, with offices on the date hereof at 1133 Avenue of the Americas, Suite 3100, City of New York, state of New York, 10036-6710 (the Process Agent) as its agent to receive, accept and acknowledge for and on its behalf, and in respect of its Property, service of any and all legal process, summons, notices and documents which may be served in any action or proceeding in the state courts sitting in the City of New York, New York, United States of America or the United States District Court for the Southern District of New York and agrees that service in such manner shall, to the fullest extent permitted by law, be deemed effective service of process upon it in any such suit, action or proceeding. If for any reason such Process Agent shall cease to be available to act as such, each of the Borrower and the Guarantor agrees to designate a new Process Agent in the City of New York (and notify the Lender of such designation), on the terms and for the purposes of this provision, provided that the new Process Agent shall have accepted such designation in writing before the termination of the appointment of the prior Process Agent. Each of the Borrower and the Guarantor further consents to the service of process or summons by certified or registered mail, postage prepaid, return receipt requested, directed to it at its address specified in Section 10.6 hereof. Nothing herein shall in any way be deemed to limit the ability of the Lender to serve legal process in any other manner permitted by applicable law.
- (c) Each of the Borrower and the Guarantor agrees that a final judgment (a certified copy of which shall be conclusive evidence of the amount of any of its indebtedness arising out of, or relating in any way to, this Agreement) against it in any action, proceeding or claim arising out of, or relating in any way to, this Agreement shall be conclusive and may be enforced by suit on the judgment in any court lawfully entitled to entertain such suit.
- (d) Each of the Borrower and the Guarantor recognizes that the remedies of the Lender specified in this Section are not exclusive and that the exercise of any such remedy shall not preclude the Lender from pursuing other remedies available to it in any competent court.

- (c) Each of the Borrower and the Guarantor hereby irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, attachment and execution, both before and after judgment, to which it might otherwise be entitled in any action or proceeding in the courts of Brazil, the State of New York, the United States District Court for the Southern District of New York, or any other jurisdiction, relating in any way to this Agreement, and agrees that it will neither raise nor claim any such immunity at or in respect of any such action or proceeding.

10.9 Captions

Captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

10.10 Separate Counterparts

This Agreement or any amendment may be executed in separate counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

10.11 Severability

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.12 Consents, Amendments and Waivers

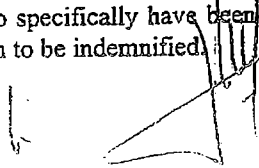
Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by, or approved in writing by, the parties hereto. No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of the Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrower or the Guarantor shall entitle the Borrower or the Guarantor to other or further notice or demand in similar or other circumstances.

10.13 U.S. Dollar Loan Currency

This is an international loan transaction in which the specification of payment in Dollars is of the essence. Dollars shall be the currency of account and of payment in all events. The obligations of the Borrower and the Guarantor hereunder to make payments in Dollars (the **Obligation Currency**) shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by the Lender of the full amount of the Obligation Currency expressed to be payable to the Lender under this Agreement. If, for the purpose of obtaining or enforcing judgment against any of the Borrower or the Guarantor in any court or in any jurisdiction, it

becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the Judgment Currency) an amount due in the Obligation Currency the parties agree, to the fullest extent permitted for the parties to do so, that the conversion shall be made at the rate of exchange (as quoted by the Lender or, if the Lender does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Lender) determined, in each case, as of the date immediately preceding the day on which the judgment is given (such Business Day being hereinafter referred to as the Judgment Currency Conversion Date). If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, each of the Borrower and the Guarantor covenants and agrees to pay, or cause to be paid, such amounts, if any, as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date. For purposes of determining the rate of exchange for this Section, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

10.14 Indemnification

- (a) Each of the Borrower and the Guarantor agrees to indemnify and hold harmless the Lender and its officers, directors, employees, agents, representatives, successors and assigns (together, the Indemnified Parties) from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses (including the reasonable fees and expenses of counsel) and disbursements of any kind whatsoever (together, Liabilities) arising out of or by reason of any investigation or litigation or other proceedings (including any threatened investigation or litigation or other proceedings) related to the entering into or performance of this Agreement or any other Loan Document or the use of proceeds of the Loans or the consummation of any of the transactions contemplated hereby or in any other Loan Document or the exercise of any of their rights or remedies provided herein or in the other Loan Documents, including the reasonable fees and disbursements of counsel incurred in connection with any such investigation or litigation or other proceedings (but excluding any such Liabilities to the extent determined by the final and nonappealable judgment of a court of competent jurisdiction to specifically have been proximately caused by the gross negligence or willful misconduct of the Person to be indemnified). To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentences may be unenforceable, each of the Borrower and the Guarantor shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Liabilities incurred by the Indemnified Parties or any of them.
- (b) Without limiting the foregoing, each of the Borrower and the Guarantor will defend, indemnify and hold harmless the Indemnified Parties from and against any Liabilities of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way relating to any violation or noncompliance with or liability under any Environmental Laws or any orders, requirements or demands of any Governmental Authorities related thereto (including attorney's fees, court costs and litigation expenses), except to the extent determined by the final and nonappealable judgment of a court of competent jurisdiction to specifically have been proximately caused by the gross negligence or willful misconduct of the Person to be indemnified.
- 

10.15 WAIVER OF JURY TRIAL

THE BORROWER, THE GUARANTOR AND THE LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE BORROWER, THE GUARANTOR OR THE LENDER. EACH OF THE BORROWER AND THE GUARANTOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH SUCH OTHER DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER ENTERING INTO THIS AGREEMENT AND EACH SUCH OTHER DOCUMENT. EXCEPT AS PROHIBITED BY LAW, EACH OF THE BORROWER AND THE GUARANTOR HEREBY WAIVES ANY RIGHTS IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES.

10.16 Survival

The obligations of the Borrower and the Guarantor under Sections 2.3, 2.8, 2.14, 2.15, 8, 10.3, 10.13 and 10.14 shall survive the repayment of the Loans and the termination of this Agreement.

10.17 Neutral Interpretation

In the interpretation of this Agreement, no party shall be deemed the drafting party and each provision hereof shall be interpreted neutrally with no presumption arising in favor of one party or the other based upon which party prepared the drafts or the final version hereof or thereof.

10.18 Usury

Anything herein to the contrary notwithstanding, the obligations of the Borrower under this Agreement shall be subject to the limitation that payments of interest shall not be required to the extent that receipt thereof would be contrary to provisions of law applicable to the Lender limiting rates of interest which may be charged or collected by the Lender.

10.19 Acknowledgements

Each of the Borrower and the Guarantor hereby acknowledges that (a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents; and (b) the Lender does not have any fiduciary relationship to the Borrower or the Guarantor, and the relationship between the Lender, on the one hand, and the Borrower and the Guarantor, on the other hand, is solely that of debtor and creditor.

10.20 English Language

In the construction and interpretation of this Agreement, the English language version thereof shall be the official version, and any version that has been translated into any other language shall have no force or effect except for purposes of enforcing this Agreement in a court of law that requires that this

Agreement be presented thereto in another language. All notices and documents to be furnished under this Agreement shall be in the English language.

10.21 Confidentiality / US Patriot Act Notice

- (a) Each of the Borrower and the Guarantor hereby authorizes the Lender to disclose information relating to the Borrower, its Affiliates and/or the Guarantor to any of the Lender's affiliates, any regulatory, tax, customs or judicial authority, any rating agency, auditor, insurance or reinsurance broker, professional advisor, insurer, reinsurer and, as the case may be, in connection with any securitization or other risk transfer or hedging transaction or any other transaction under which payments are to be made by reference to any Loan Document or to the Borrower or the Guarantor, including any actual or potential participants or assignees, if the Lender deems such disclosure to be necessary or advisable in carrying out its duties, obligations, commitments or activities, or for the purpose of its asset, liability or risk management policies, or as may be required by law, regulation or judicial process.
- (b) The Lender hereby notifies each of the Borrower and the Guarantor that pursuant to the requirements of the Patriot Act, it may be required to obtain, verify and record information that identifies the Borrower or the Guarantor, including the name and address thereof and other information that allows the Lender to identify the Borrower or the Guarantor in accordance with the Patriot Act. Each of the Borrower and the Guarantor shall, and the Borrower shall cause its Subsidiaries to, to the extent commercially reasonable, provide such information and take such actions as are reasonably requested by the Lender to comply with the Patriot Act.

10.22 ENTIRE AGREEMENT

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized representatives as of the date first above written.

BRASFUMO INDÚSTRIA BRASILEIRA DE FUMO S.A.

as the Borrower

BRASFUMO
INDÚSTRIA BRASILEIRA DE FUMOS S/A

By: _____

CARLOS CESAR PILLA
Diretor Presidente

JUAN ANTONIO BRUNO PERRONI

as the Guarantor

By: _____

Witnesses: _____

Witnesses: _____

Name: _____

CPF: _____

Name: _____

CPF: _____

FIRSTRAND (IRELAND) PLC

as the Lender

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT A
SUBSIDIARIES

6.

ANNEX 1

FORM OF PROMISSORY NOTE

[ON THE FRONT]

US\$[]
Payable at sight

FOR VALUE RECEIVED, the undersigned BRASFUMO INDÚSTRIA BRASILEIRA DE FUMO S.A., a *sociedade anônima* existing under the laws of the Federative Republic of Brazil, with its head office at Av. das Indústrias, 130, City of Venâncio Aires, State of Rio Grande do Sul, 95800-000, Brazil, enrolled with the CNPJ/MF under no. 88.124.383/0001-50 (BRASFUMO), by this Promissory Note hereby irrevocably and unconditionally promises to pay on demand to the order of FIRSTRAND (IRELAND) PLC, a limited liability company duly organized and existing under the laws of the Republic of Ireland, the sum in Reais equivalent to US\$ [] ([] United States Dollars) to be paid in Brazil, by conversion into Reais (or such other lawful currency of the Federative Republic of Brazil) on the date of payment at the exchange rate (sale) set forth in SISBACEN data system, at PTAX 800, Option 5, currency 220 on the business day immediately preceding the payment date. THIS PROMISSORY NOTE MAY BE PRESENTED FOR PAYMENT WITHIN TEN (10) YEARS FROM THE DATE HEREOF.

BRASFUMO hereby waives all requirements as to diligence, presentment, protest and notice of any kind with respect to this Promissory Note.

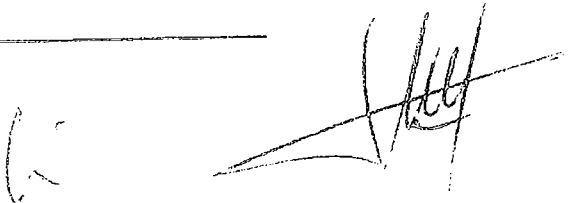
This Promissory Note shall be governed by and construed in accordance with the laws of the Federative Republic of Brazil.

São Paulo, State of São Paulo, Brazil

Date: []

BRASFUMO INDÚSTRIA BRASILEIRA DE FUMO S.A.

By: _____
Title:

Handwritten signature and initials in ink, appearing to be a stylized 'H' or 'M' followed by a large 'X' or 'Z'.

[TO BE PRINTED ON THE REVERSE OF THE PROMISSORY NOTE]

UNCONDITIONAL GUARANTY (AVAL)

FOR VALUE RECEIVED, the undersigned JUAN ANTONIO BRUNO PERRONI, a Brazilian citizen residing at Rua Cristovão Colombo, 369, Apt. 702, City of Santa Cruz do Sul, State of Rio Grande do Sul, 96825-010, Brazil, enrolled with the Individual Taxpayers Register of the Ministry of Finance under CPF/MF No. 124.521.300-87 (the Guarantor), as a primary obligor and not as surety merely, hereby absolutely and unconditionally guarantees *per aval* the due and punctual payment of the principal of and interest on this Promissory Note made by BRASFUMO INDÚSTRIA BRASILEIRA DE FUMO S.A. (the Borrower) on which this unconditional guaranty (*aval*) is endorsed, in accordance with the terms hereof. The Guarantor hereby further agrees that upon default by the Borrower in the payment when due of the principal of or interest due on this Promissory Note, whether at maturity, by acceleration or otherwise, the Guarantor will forthwith pay the same without notice or demand. The Guarantor hereby expressly waives diligence, presentment, demand, protest, notice of dishonor or other notice of any kind whatsoever, as well as any requirement that any holder of this Promissory Note exhaust any right to take any action against the Borrower in respect of this Promissory Note and hereby consents to any extension of time of payment and any renewal of this Promissory Note. This guaranty (*aval*) shall not be discharged except by complete performance of the obligations contained herein.

Guaranteed *bona fide* by each of:

JUAN ANTONIO BRUNO PERRONI
Guarantor (as per *aval*)

Spouse (as per *aval*)

ANNEX 2

FORM OF NOTICE OF DRAWDOWN

[place and date]

FirstRand (Ireland) Plc
c/o Rand Merchant Bank
1 Merchant Place
12th Floor
c/o Fredman & Rivonia Drive
SANDTON, 2196
South Africa

Re: Export Prepayment Finance Agreement dated as of August 8, 2008

Dear Sirs,

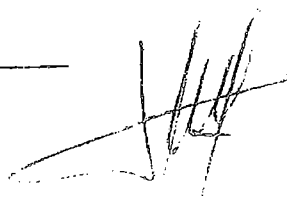
We refer to the Export Prepayment Finance Agreement (as from time to time amended, varied, novated or supplemented, the **Export Prepayment Finance Agreement**), dated as of August 8, 2008, between Brasfumo Indústria Brasileira de Fumo S.A., as the Borrower, Juan Antonio Bruno Perroni, as the Guarantor, and FirstRand (Ireland) Plc, as the Lender. Terms defined in the Export Prepayment Finance Agreement shall have the same meaning in this Notice of Drawdown.

We hereby give you notice that, pursuant to the Export Prepayment Finance Agreement and on [____], 20[___], we wish to borrow a [Green Tobacco Loan][Processed Tobacco Loan] for a tenor of [___] days and in the amount of US\$[____], upon the terms and subject to the conditions contained therein. The proceeds of the Loan should be deposited in the following account of the Borrower: [list account details].

I confirm that, on the date hereof, the representations and warranties set out in Section 3 thereof, and the covenants set out in Sections 5 and 6 thereof, are true and complete, and that no Default has occurred or is continuing.

BRASFUMO INDÚSTRIA BRASILEIRA DE FUMO S.A.

By: _____



ANNEX 3

FORM OF ASSIGNMENT AND SECURITY AGREEMENT

[Attached]

6.

ANNEX 4

FORM OF COLLECTION ACCOUNT PLEDGE AGREEMENT

[Attached]

6.

ANNEX 5
FORM OF TOBACCO PLEDGE AGREEMENT
[Attached]

h

ANNEX 6

FORM OF OFFICER'S CERTIFICATE

[place and date]

FirstRand (Ireland) Plc
c/o Rand Merchant Bank
1 Merchant Place
12th Floor
c/o Fredman & Rivonia Drive
SANDTON, 2196
South Africa

I refer to the Export Prepayment Finance Agreement (as from time to time amended, varied, novated or supplemented, the **Export Prepayment Finance Agreement**), dated as of August 8, 2008, between Brasfumo Indústria Brasileira de Fumo S.A., as the Borrower, Juan Antonio Bruno Perroni, as the Guarantor, and FirstRand (Ireland) Plc, as the Lender. Capitalized terms used herein unless otherwise defined herein shall have the meanings assigned to them in the Export Prepayment Finance Agreement.

I am a [title] of the Borrower and, pursuant to Section 4.1(c) of the Export Prepayment Finance Agreement, hereby certify in this certificate (this **Certificate**) as follows:

1. I am duly authorized to give this Certificate.
2. **Powers:** Attached as Exhibit A to this Certificate and signed or initiated by me for the purpose of identification are true, complete and up-to-date copies of the Governing Documents of the Borrower as in effect on the date hereof and on the date of the Borrower's execution and delivery of the Loan Documents. The Borrower is carrying on a business authorized under its Governing Documents. Neither the entry into the Loan Documents nor the execution and delivery of the Note by the Borrower, nor the exercise of its rights and/or performance of or compliance with its obligations under the Loan Documents does or will violate, or exceed any borrowing or other power or restriction granted or imposed by, its Governing Documents.
3. **Due Authorization:** Attached as Exhibit B to this Certificate and signed or initialed by me for the purpose of identification is a true and complete copy of the minutes (including, if the same is not in the English language, an accurate English translation thereof) of a duly convened meeting of the board of directors of the Borrower duly held on [•], 2008, at which a duly constituted quorum of directors was present and voting throughout and at which the resolutions set out in the minutes (the **Resolutions**) were duly passed and adopted. Each of the Resolutions remains in full force and effect and has not been amended, modified, revoked or rescinded. The Resolutions constitute all action necessary on the part of the Borrower to approve the execution and delivery by the Borrower of the Loan Documents, the borrowings thereunder and the performance by the Borrower of its obligations thereunder.
4. **Due Execution:** Attached as Exhibit C to this Certificate and signed or initialed by me for the purpose of identification is a list of the names and titles, and specimen of the signatures, of the persons who are, at the date of this Certificate officers of the Borrower or attorneys-in-fact of the Borrower and who (either individually or with others, as provided in the Resolutions) are authorized, on behalf of the Borrower, to

sign the Loan Documents and are authorized to give all communications and take any other action required under or in connection with the Loan Documents on behalf of the Borrower.

5. **Default:** No Default has occurred and is continuing as of the date of this Certificate.

6. **Covenants and Representations and Warranties:** As of the date hereof the Borrower is in full compliance with all covenants under the Loan Documents that are applicable to it and all representations and warranties of the Borrower contained in the Loan Documents and any certificates, statements or other documents delivered pursuant thereto are true and correct as of this date.

Name:

Title:

Execution Version

ASSIGNMENT AND SECURITY AGREEMENT

DATED AS OF AUGUST 8, 2008

between

BRASFUMO INDÚSTRIA BRASILEIRA DE FUMO S.A.

as the Borrower

and

FIRSTRAND (IRELAND) PLC

as the Lender

ALLEN & OVERY

Allen & Overy LLP

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CONTENTS

Section		Page
1.	Definitions	1
2.	Assignment and Grant of Security Interest; Transfer of Rights.....	2
3.	Notification of collection account to Eligible Off-takers	2
4.	Proceeds of Collateral	2
5.	Delivery and Other Perfection	3
6.	Events of Default; Rights and Remedies; Application and Conversion of Proceeds	3
7.	Power of Attorney.....	4
8.	No Duty to Borrower	4
9.	Representations, Warranties and Covenants.....	4
10.	Termination	7
11.	Further Assurances.....	7
12.	Borrower's Additional Duties	7
13.	Obligations Absolute.....	7
14.	Indemnification.....	8
15.	Counterparts	8
16.	Headings.....	8
17.	No Setoff	8
18.	Costs and Expenses	8
19.	Severability.....	8
20.	Successors and Assigns	9
21.	Amendment	9
22.	No Waiver	9
23.	Notices.....	9
24.	Governing Law; Jurisdiction	9
25.	Waiver of Jury Trial.....	10
26.	English Language.....	10
27.	Waiver of Immunity.....	11
28.	Neutral Interpretation	11
	Signatories.....	12

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ASSIGNMENT AND SECURITY AGREEMENT

THIS ASSIGNMENT AND SECURITY AGREEMENT (this Agreement), dated as of August 8, 2008, is by and between BRASFUMO INDÚSTRIA BRASILEIRA DE FUMO S.A., a *sociedade anônima* existing under the laws of the Federative Republic of Brazil, with its head office at Av. das Indústrias, 130, City of Venâncio Aires, State of Rio Grande do Sul, 95800-000, Brazil, enrolled with the CNPJ/MF under no. 88.124.383/0001-50 (the Borrower) and FIRSTRAND (IRELAND) PLC, a public limited company organized and existing under the laws of the Republic of Ireland (the Lender).

WHEREAS:

- (A) The Borrower, the Lender, and Juan Antonio Bruno Perroni, as the Guarantor, have entered into an Export Prepayment Finance Agreement dated as of August 8, 2008 (as amended, supplemented and modified from time to time, the Export Prepayment Finance Agreement) pursuant to which the Lender agreed to make loans to the Borrower.
- (B) To secure its obligations under the Export Prepayment Finance Agreement, the Borrower is assigning and pledging to the Lender, any and all rights it has under the Export Contracts (as defined in the Export Prepayment Finance Agreement), including without limitation all Export Receivables (as defined below) arising under the Export Contracts.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. DEFINITIONS

Unless otherwise stated herein, capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Export Prepayment Finance Agreement. In addition, as used herein (such meanings to be equally applicable to both the singular and plural of the terms defined unless otherwise indicated):

Accounts, Chattel Paper, Document and Instrument shall each have the meaning given to such terms in the UCC.

Collateral means any and all rights of the Borrower under the Assigned Export Contracts, including, without limitation, all Export Receivables, all Accounts, all insurance proceeds and tax refunds and all guaranties and security relating to the foregoing, all Processed Tobacco from which any Export Receivable shall have arisen, all Documents, all Chattel Paper, all Instruments, all Shipping Documents, all files, records (including without limitation computer programs, tapes, disks and related electronic data processing software) and writings of the Borrower or in which the Borrower has an interest, in each case relating to or arising out of any of the foregoing; and all Proceeds, insurance proceeds, products, accessions, rents, profits, income, benefits, substitutions and replacements of and to any of the foregoing property of the Borrower described above (including, without limitation, all causes of action, claims and warranties now or hereafter held by the Borrower in respect of any of the items listed above and all cash proceeds of any collection or other realization of all or any part of the Collateral pursuant to this Agreement). In any event Collateral shall not include real estate assets (i.e., immovable assets or real properties).

Proceeds shall have the meaning provided in Section 9-102(a)(64) of the UCC.

UCC means the Uniform Commercial Code as in effect in the State of New York from time to time, provided that references to specific sections or subsections of the UCC are references to such sections or subsections, as the case may be, of the UCC as in effect in the State of New York on the date hereof.

2. ASSIGNMENT AND GRANT OF SECURITY INTEREST; TRANSFER OF RIGHTS

- (a) As collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of any and all Obligations, the Borrower hereby assigns, pledges, grants, transfers and conveys to the Lender, a continuing first priority lien and security interest in all of its right, title and interest in and to the Collateral, whether now owned or hereafter acquired and whether now existing or hereafter arising. The Lender and its successors and assigns shall have and forever hold all of the Collateral absolutely with all privileges and appurtenances hereby conveyed, transferred and assigned, or agreed or intended so to be, for the benefit, security and protection of the Lender with respect to the payment of all amounts payable to the Lender to the extent herein provided.
- (b) For purposes of clarification, the parties acknowledge that although the Collateral has been assigned to the Lender as collateral security for the Obligations, provided that no Default or Event of Default has occurred and is continuing, the proceeds of the Export Receivables that are deposited into the Collection Account shall be applied in accordance with the terms and conditions of the Collection Account Pledge Agreement and Sections 2.9 and 2.12 of the Export Prepayment Finance Agreement.

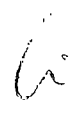
3. NOTIFICATION OF COLLECTION ACCOUNT TO ELIGIBLE OFF-TAKERS

The Borrower agrees that each Assigned Export Contract (including, without limitation, purchase orders that are deemed Assigned Export Contracts pursuant to the Export Prepayment Finance Agreement) and each invoice issued thereunder by the Borrower to an Eligible Off-taker, shall include the following provision:

"Brasfumo Indústria Brasileira de Fumo S.A. hereby gives you irrevocable notice of the assignment to FirstRand (Ireland) Plc (the Lender) of all of its right, title and interest in and to (but not its obligations under) this export contract (collectively, the Export Contract). Except as otherwise provided in written instructions from the Lender, all payments in relation to this Export Contract shall be made through account no. 0011749322, in the name of FNB International Banking, Specialized Trade Services, at JPMorgan Chase Bank New York, SWIFT code CHASUS33, for further credit to the account of Brasfumo Indústria Brasileira de Fumo S.A., bearing account no. 0197726 at First National Bank (a division of FirstRand Bank Limited), Branch Code 255405, SWIFT FIRNZAJJ; or such other account as the Lender may designate from time to time. Each of the parties to this Export Contract shall not, without the Lender's prior written consent, agree to any modification or amendment to, termination of, or waiver of any of its rights and/or obligations under this Export Contract."

4. PROCEEDS OF COLLATERAL

The Borrower agrees that if the proceeds of any Collateral shall be received by it other than by deposit into the Collection Account, it shall promptly remit the same to the Collection Account. Until delivered to the Lender by deposit in the Collection Account, all such proceeds shall be held in trust by the Borrower for the benefit of the Lender and shall not be commingled with any other funds or property of the Borrower.



5. DELIVERY AND OTHER PERFECTION

In furtherance of the grant of the pledge and security interest pursuant to Section 2 hereof and its obligations under Sections 3 and 4 hereof, the Borrower hereby agrees with the Lender: (a) that the Borrower will: (i) immediately deliver and pledge to the Lender any and all Instruments, certificates, securities, and/or other Documents evidencing and/or relating to the Collateral as such shall come into its possession, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Lender may request, in its sole discretion; (ii) at the time of shipment of the underlying Processed Tobacco with respect to each Export Receivable, deliver the originals of the Shipping Documents therefor to the Lender or its designee containing such endorsements from the relevant Eligible Off-taker as are necessary to ensure payment by the relevant Eligible Off-taker; (iii) immediately deliver to the Lender any cash proceeds of any of the Collateral; and (iv) give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or desirable (in the sole judgment of the Lender) to create, preserve, perfect or validate any portion of the security interest granted pursuant hereto or to enable the Lender to exercise and enforce its rights hereunder with respect to such pledge and security interest; and (b) that (i) the Lender is hereby authorized to file financing statements, continuation statements and amendments thereto relative to all or any part of the Collateral without the signature of the Borrower to the fullest extent permitted by applicable law and (ii) the Borrower will furnish the Lender, promptly upon request, with any information that is required by the Lender in order to complete such financing, continuation or amendment statements.

6. EVENTS OF DEFAULT; RIGHTS AND REMEDIES; APPLICATION AND CONVERSION OF PROCEEDS

Upon the occurrence and during the continuance of an Event of Default, the Lender shall have all of the rights and remedies with respect to the Collateral, and the proceeds thereof, of a secured party under the UCC (whether or not said UCC is in effect in the jurisdiction where the rights and remedies are asserted), and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, (a) the right, to the maximum extent permitted by applicable law, to exercise all powers of ownership pertaining to the Collateral as if the Lender were the sole and absolute owner thereof (and the Borrower agrees to take all such action as may be appropriate to give effect to such right), (b) the right to make any compromise or settlement with respect to any of the Collateral and extend the time of payment, arrange for payment in installments, or otherwise modify the terms, of any of the Collateral, (c) the right to (i) transfer to or assign to, or register in the name of, the Lender or its nominees any of the Collateral, (ii) exercise any consent and other rights relating to any Collateral, (iii) execute and deliver acquittances, receipts and releases in respect of any Collateral, and (iv) exercise any other right or remedy available to the Lender under other Loan Documents, and (d) the Lender in its sole discretion may, in its name or in the name of the Borrower or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in any exchange for any of the Collateral, but shall be under no obligation to do so. If the proceeds of collection or other realization of or upon the Collateral are insufficient to cover the costs and expenses of such realization and the payment in full of the Obligations, the Borrower shall remain liable for any deficiency. The Lender shall not be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall the Lender be under any obligation to take any action whatsoever with regard thereto. The Lender may convert any funds received, recovered, released or held thereby from their existing currency into Dollars and the Borrower shall be liable for any costs and expenses incurred by the Lender in connection with any such conversion.

7. POWER OF ATTORNEY

The Borrower hereby irrevocably appoints the Lender the Borrower's attorney-in-fact (which appointment is coupled with an interest and cannot be revoked), with full authority in the place and stead of the Borrower and in the name of the Borrower or otherwise, from time to time, in the Lender's discretion, to take any action and to execute any instrument that the Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation: (a) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for monies due and to become due under or in respect of any of the Collateral; (b) to receive, endorse and collect any drafts or other Instruments and Documents in connection with clause (a) above; (c) to execute endorsements, assignments, or other instruments of conveyance or transfer with respect to all or any of the Collateral; (d) to file any claims or take any action or institute any proceedings that the Lender may deem necessary or desirable to enforce the rights of the Lender with respect to any of the Collateral; and (e) to perform the affirmative obligations of the Borrower hereunder. The Borrower agrees that upon the its failure to perform any agreement contained herein, the Lender may itself perform, or cause performance of, such agreement, and the reasonable expenses of such Person incurred in connection therewith shall be payable by the Borrower.

8. NO DUTY TO BORROWER

The Borrower acknowledges and agrees that in acting pursuant to the foregoing power of attorney and otherwise pursuant to this Agreement, the Lender shall be acting in its capacity as secured party, and that the Lender has no fiduciary duty to the Borrower and the Borrower hereby waives any claims to the rights of a beneficiary of a fiduciary relationship hereunder. Except for the safe custody of any Collateral in its possession and the accounting for moneys eventually received by it hereunder, the Lender shall have no duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Lender has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Lender shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Lender accords its own property.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS

The Borrower hereby represents and warrants to the Lender, on and as of the date hereof, and covenants that:

(a) No Transfer

Other than pursuant to this Agreement, the Collateral is not and will not be subject to any assignment, conveyance, transfer (except for the transfer of Processed Tobacco to the relevant Eligible Off-taker under an Assigned Export Contract) or participation or agreement to assign, convey, transfer or participate in any way. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral or listing the Borrower as debtor is on file in any recording office, except as may have been filed in favor of the Lender relating to this Agreement or the Export Prepayment Finance Agreement.

(b) Good Title

7. POWER OF ATTORNEY

The Borrower hereby irrevocably appoints the Lender the Borrower's attorney-in-fact (which appointment is coupled with an interest and cannot be revoked), with full authority in the place and stead of the Borrower and in the name of the Borrower or otherwise, from time to time, in the Lender's discretion, to take any action and to execute any instrument that the Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation: (a) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for monies due and to become due under or in respect of any of the Collateral; (b) to receive, endorse and collect any drafts or other Instruments and Documents in connection with clause (a) above; (c) to execute endorsements, assignments, or other instruments of conveyance or transfer with respect to all or any of the Collateral; (d) to file any claims or take any action or institute any proceedings that the Lender may deem necessary or desirable to enforce the rights of the Lender with respect to any of the Collateral; and (e) to perform the affirmative obligations of the Borrower hereunder. The Borrower agrees that upon the its failure to perform any agreement contained herein, the Lender may itself perform, or cause performance of, such agreement, and the reasonable expenses of such Person incurred in connection therewith shall be payable by the Borrower.

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(b) Good Title

The Borrower has (or in the case of after acquired Collateral, will have at the time the Borrower acquires rights therein) good title to, and is and will at all times be the sole legal and beneficial owner of, the Collateral, free and clear of all Liens (other than as created by this Agreement and the other Security Agreements), has all necessary rights and the power to transfer each item of the Collateral in which a security interest is purported to be created hereunder for such security interest to attach, and at no time will it create, grant, extend or permit to subsist any Lien on or over the Collateral or any part thereof (except as created by this Agreement and the other Security Agreements). None of the Collateral is subject to any Lien other than the Lender's security interest created by this Agreement and the other Security Documents.

(c) Defense

There is no legal action, litigation, arbitration, administrative proceeding or other fact or circumstance current or pending or threatened (i) involving or affecting the Collateral, or (ii) that could hinder or interfere with the consummation of the transactions contemplated by this Agreement. The Borrower shall defend the Collateral against all Liens, claims and demands of any Person claiming the same or any interest therein adverse to the Lender. None of the Collateral is subject to any order, writ, injunction, execution or attachment.

(d) Export Contracts

The Borrower has provided the Lender with true copies of all of the Assigned Export Contracts that exist as of the Execution Date, and will so provide copies of all additional Export Contracts that hereafter become Assigned Export Contracts. The Borrower has not agreed to, and will not without the Lender's prior written consent agree to, (i) any modification or amendment to, termination of, or waiver of any of its rights and/or obligations under or any obligations of any Eligible Off-taker under any Assigned Export Contract or (ii) payment from any Eligible Off-taker under any Assigned Export Contract being made by any means other than as provided in this Agreement. Each Assigned Export Contract represents the valid, binding and enforceable obligation of the parties to it and is in full force and effect. No Assigned Export Contract has been terminated, rescinded or revoked and there is no outstanding default under or dispute relating to any Assigned Export Contract. No party to any Assigned Export Contract has any defense to performance of its obligations under that Assigned Export Contract or any basis for asserting a counterclaim or set-off.

(e) Performance

The Borrower will perform all of its obligations under the Assigned Export Contracts as provided therein.

(f) Status of Export Receivables

- (i) Each Export Receivable will be a valid account representing an undisputed indebtedness incurred by the relevant Eligible Off-taker for Processed Tobacco held subject to delivery instructions or thereto for shipped or delivered,
- (ii) there shall be no set-off or counterclaims against such Export Receivable,
- (iii) there will not be any agreement under which any deduction or discount may be claimed by any Eligible Off-taker with respect to any Export Receivables nor any agreement



under which any Processed Tobacco from which an Export Receivable arises may be returned, and

- (iv) the Borrower shall, at its own expense, use reasonable and customary efforts to enforce collection of any amounts payable in respect of the Export Receivables.

(g) Records

All records of the Borrower relating to the Collateral are and shall be kept at the Borrower's address as it appears in this Agreement and will reflect the security interests created by this Agreement, and will, upon the request of the Lender, be delivered to the Lender.

(h) Place of Business

The Borrower does not have (and during the past five years has not had) a place of business in the United States and will notify the Lender in writing at least thirty (30) days prior to establishing a place of business in the United States during the term of this Agreement for it or for any Affiliate thereof (whether now existing or hereafter created). The location of the Borrower's chief executive office and principal place of business of the Borrower are (and have been for the last five years) at the address set forth below its signature on the signature page hereof.

(i) Change of Name; Change of Jurisdiction

The Borrower will not, without sixty (60) days' prior written notice to the Lender, (i) change its name or the name under which it does business from that shown on the signature page hereof, nor (ii) change its jurisdiction of organization (whether through merger, consolidation, re-domiciliation or otherwise). During the past five (5) years the Borrower has not been known by any legal name different from the one set forth on the signature page hereto nor has the Borrower changed its jurisdiction of organization (whether through merger, consolidation, re-domiciliation or otherwise). The Borrower has no trade names.

(j) Registration

The Borrower shall register this Agreement and a translation hereof in Portuguese by a sworn translator, at its sole cost and expense, within fifteen (15) days after the execution hereof, with the appropriate Registries of Deeds in Brazil (*Cartório de Registro de Títulos e Documentos*) of the jurisdiction of its incorporation and main office.

(k) Required Filings

Except for the registration of this Agreement as set forth in item (j) above, and the filing of a financing statement with the Recorder of Deeds for the District of Columbia, no filings, recordings or other actions are required to perfect (or maintain the priority or perfection of) the security interests created hereunder.

(l) Security Interest

Upon completion of the registration and filings set forth in items (j) and (k) above, the Lender will have a valid and enforceable first priority perfected security interest in the Collateral as security for the Obligations.

10. TERMINATION

Upon receipt of evidence satisfactory to the Lender that all of the Obligations shall have been paid in full, this Agreement shall terminate, and the Lender shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining rights to the Collateral not used to repay the Obligations or otherwise, to or on the order of the Borrower. The Borrower shall pay all costs and expenses incurred by the Lender in connection with such assignment, transfer and delivery of any remaining rights to the Collateral not used to repay the Obligations.

11. FURTHER ASSURANCES

The Borrower hereby agrees that from time to time, upon request by the Lender, it shall promptly duly execute and deliver to the Lender all such further instruments and documents and do all such further acts and things as may in the opinion of the Lender be necessary or desirable in order to give effect to the provisions of this Agreement and to obtain the full benefits hereof.

12. BORROWER'S ADDITIONAL DUTIES

Anything herein contained to the contrary notwithstanding, the Borrower shall remain liable to perform all of its obligations under or with respect to the Collateral, the exercise by the Lender of any of its rights hereunder shall not release the Borrower from any of its obligations under or with respect to the Collateral, and the Lender shall not have any obligations or liabilities under or with respect to any of the Collateral by reason of or arising out of this Agreement, nor shall the Lender be required or obligated in any manner to perform or fulfill any of the obligations of the Borrower under or with respect to any of the Collateral. The acceptance by the Lender of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate the Lender to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action (other than its express duties hereunder) hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

13. OBLIGATIONS ABSOLUTE

The Borrower waives presentment, protest, notice of acceptance of this Agreement, notice of making of the Loans, notice of receipt of the proceeds of any of the Collateral, including the Export Receivables, or any other action taken in reliance hereon, and all demands and other notices of any description. The Borrower assents to any extension or postponement of the time of payment or any other indulgence in respect of the Obligations, to any substitution, exchange or release of any of the Collateral, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Lender may deem advisable. The Borrower agrees that its obligations hereunder shall be absolute and unconditional and shall remain in full force and effect without regard to and shall not be released, suspended, discharged, terminated or otherwise affected by any circumstance or occurrence whatsoever, including, without limitation, any invalidity, irregularity or unenforceability of all or any part of the Borrower's obligations hereunder or under the Notes, the Export Prepayment Finance Agreement or any of the other Credit Documents. The Lender may exercise its rights with respect to the Collateral without resorting to or regard to other collateral or sources of reimbursement for the Obligations.

6

14. **INDEMNIFICATION**

The Borrower irrevocably agrees to indemnify the Lender and all its officers, directors, employees, Affiliates, agents and representatives (together, the Indemnified Parties) and to hold the Indemnified Parties harmless from and against any and all losses, liabilities, costs, expenses (including reasonable fees and disbursements of counsel), claims, actions or demands of any kind or nature whatsoever (together, Liabilities) which any of the Indemnified Parties may incur or which may be made against any of the Indemnified Parties as a result of or in connection with this Agreement (including, without limitation, the enforcement thereof), which may be ordered or otherwise required by any Person, court or Governmental Authority, except to the extent such Liabilities are determined by the final and nonappealable judgment of a court of competent jurisdiction to specifically have been proximately caused by the gross negligence or willful misconduct of such Indemnified Party. If, and to the extent that, the Borrower's obligations under this Section 14 are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of the Liabilities as is permitted by applicable law. The Borrower's indemnification obligation under this Section shall survive the termination of this Agreement.

15. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

16. **HEADINGS**

The headings of the several sections of this Agreement are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

17. **NO SETOFF**

No setoff, counterclaim, reduction or diminution of any obligation, or any defense of any kind or nature which the Borrower may have or assert against the Lender shall be available hereunder to, or shall be asserted by, the Borrower in any action arising out of the transactions contemplated hereby or out of the Collateral.

18. **COSTS AND EXPENSES**

The Borrower agrees to pay on demand all costs and expenses (including reasonable attorneys' fees and expenses) in connection with the translation of this Agreement in Portuguese by a public sworn translator and its registration in Brazil and the filing of any UCC financing statements in the United States of America, the preservation of any rights of or exercised by the Lender, or the enforcement (whether through legal proceedings or otherwise) of this Agreement, including, without limitation the enforcement of rights under this Section of this Agreement and any costs and expenses in connection with the termination of this Agreement pursuant to Section 10 hereof, including, without limitation, the assignment, transfer and delivery of any remaining rights to the Collateral.

19. **SEVERABILITY**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating

the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the remaining portion of such provision and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by applicable law.

20. **SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Borrower and the Lender, provided that the Borrower shall not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Lender. If at any time or times the Lender, by assignment or otherwise, transfers all or any portion of its rights under the Export Prepayment Finance Agreement, such transfer shall carry with it the Lender's powers and rights under this Agreement, and the transferee shall become vested with said powers and rights whether or not they are specifically referred to in said transfer.

21. **AMENDMENT**

No provision of this Agreement may be amended, supplemented, modified or waived unless pursuant to a writing signed by the Borrower and the Lender, and any such waiver shall be effective only in the specific instance and for the specific purpose for which given.

22. **NO WAIVER**

No failure on the part of the Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by law or any other agreement.

23. **NOTICES**

All notices, requests and other communications provided for herein shall be given or made in writing (including, without limitation, by electronic mail, telex or fax), delivered to the intended recipient at the "Address for Notices" specified below its name on the signature page hereof; or, as to any party, at such other address as shall be designated by such party in a notice to the other party. All such communications shall be deemed to have been duly given when transmitted by fax (confirmation received) or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

24. **GOVERNING LAW; JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, United States of America, including Section 5-1401 of the New York General Obligations Law but excluding any conflicts of law principles that would lead to the application of the laws of another jurisdiction. The Borrower (a) agrees that any claim brought by any party or successor thereto arising out of this Agreement shall be subject to the non-exclusive jurisdiction of the courts of the State of New York located in the Borough of Manhattan in New York City, the United States District Court for the Southern District of New York, and the courts of Brazil, and the appellate courts from any thereof (and the Borrower irrevocably submits, for itself and its property, to such jurisdiction), (b) agrees, to the full extent permitted by applicable law, that in the case of any claim brought in the courts of the State of

New York located in the Borough of Manhattan in New York City or the United States District Court for the Southern District of New York that it irrevocably waives all of its rights, if any, to have such claim brought in Brazil, and (c) irrevocably waives any objection it may have at any time to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any such court, irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum and further irrevocably waives the right to object, with respect to such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over it. The Borrower further agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any manner provided by applicable law. For the purpose of proceedings in the courts of the State of New York and the United States District Court for the Southern District of New York, the Borrower hereby irrevocably appoints Corporation Service Company, with offices on the date hereof at 1133 Avenue of the Americas, Suite 3100, city of New York, state of New York, 10036-6710, as its agent (the Process Agent) to accept on its behalf, service of any and all process or other documents which may be served in any action or proceeding in any of such courts, and that service in such manner shall, to the fullest extent permitted by applicable law, be deemed effective service of process upon it in any such suit, action or proceeding. In the event that the initial or any successor Process Agent shall cease to represent the Borrower, the Borrower shall promptly and irrevocably designate a successor in New York City, New York (which appointment the successor Process Agent must accept in writing prior to the termination for any reason of the appointment of the then current Process Agent) and notify the Lender thereof, to accept on behalf of the Borrower service of any and all process or other documents which may be served in any action or proceeding in any of such courts. Nothing herein shall in any way be deemed to limit the ability of the Lender to serve legal process in any other manner permitted by applicable law or affect the right of the Lender to bring any action or proceeding against the Borrower or its properties in the courts of any other jurisdiction.

25. WAIVER OF JURY TRIAL

EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF THE PARTIES HERETO. THE BORROWER ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH SUCH OTHER DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER ENTERING INTO THIS AGREEMENT AND EACH SUCH OTHER DOCUMENT.

26. ENGLISH LANGUAGE

In the construction and interpretation of the terms and provisions of this Agreement, the English language version of this Agreement shall be the official version of this Agreement, and any version of this Agreement that has been translated into another language shall have no force and effect except for purposes of enforcing this Agreement in a court of law that requires that the Agreement be presented in another language.

22. WAIVER OF IMMUNITY

The Borrower hereby irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, attachment and execution, both before and after judgment, to which it might otherwise be entitled in any action or proceeding in the courts of Brazil, of the State of New York, of the federal courts of the United States, or of any other jurisdiction, relating in any way to this Agreement, and agrees that it will not raise nor claim any such immunity at or in respect of any such action or proceeding.

23. NEUTRAL INTERPRETATION

In the interpretation of this Agreement, no party shall be deemed the drafting party and each provision hereof shall be interpreted neutrally with no presumption arising in favor of one party or the other based upon which party prepared the drafts or the final version hereof or thereof.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

SIGNATORIES

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Agreement to be duly executed by their duly authorized officers as of the date first above written.

BRASFUMO INDÚSTRIA BRASILEIRA DE FUMO S.A.
as the Borrower **BRASFUMO**
INDÚSTRIA BRÁSILEIRA DE FUMOS S/A

By: _____
Name: _____
Title: **CARLOS CESAR PILLA**
Diretor Presidente

By: _____
Name: _____
Title: _____

Address for Notices:
Brasfumo Indústria Brasileira de Fumo S.A.
Av. das Indústrias, 130
Venâncio Aires, Rio Grande do Sul 95800-000
Brazil
Telephone: +55 51 3471-2475
Fax: +55 51 3741 2364
E-mail: marcos@brasfumo.com.br
Attention: Marcos Garofalo

FIRSTRAND (IRELAND) PLC
as the Lender

By: _____
Name: _____
Title: _____

Address for Notices:
FirstRand (Ireland) Plc
c/o Rand Merchant Bank
1 Merchant Place
12th Floor
c/o Fredman & Rivonia Drive
SANDTON, 2196
South Africa
Tel: +27 11 282-8663
Fax: +27 11 384-3202
Email: stcf-tm@rmb.co.za / olebogeng.malao@rmb.co.za
Attention: Olebogeng Malao

Witness

Witness



Ordem de pagamento para o exterior

Dados da conta a ser debitada para a operação :

Número da conta	Moeda	Valor	Data valor	Test Key
6054100101	USD	200.000,00	12/11/2010	48 3470

Remetente

Nome :

Brasfumo Industria Brasileira de Fumos S/A

Endereço :

Av. das Industrias 130 - Distrito Industrial

Cidade :

Venâncio Aires - RS

CEP :

95.800-000

País :

Brasil

Beneficiário

Nome :

Brasfumo Industria Brasileira de Fumos S/A

Endereço :

Av. das Industrias 130 - Distrito Industrial

Cidade :

Venâncio Aires - RS

CEP :

95.800-000

País :

Brasil

Banco do Beneficiário

Banco

FNB International Banking

Cidade

Sandton - South Africa

SWIFT BIC

FIRNZAJJ

Conta do Beneficiário

0011749322

IBAN

-- x --

Banco Correspondente

JP Morgan Chase Bank

Cidade

New York - USA

SWIFT BIC

CHASUS33

Outros

Despesas externas por conta do:

☒ Remetente

☐ Beneficiário

Detalhes do pagamento

A instituição financeira efetuará esta operação, aplicando as condições e tarifas de acordo com os termos e condições do banco. É possível uma eventual alteração no valor da ordem, devido às despesas causadas por terceiros bancos envolvidos nesta transação. O cliente também se declara ciente e de acordo com as leis e normas gerais da União Européia, que regulam os procedimentos de ordens de pagamento internacionais, especialmente no que diz respeito à prazo de transferência e despesas bancárias. Estas informações encontram-se à disposição do cliente neste banco, podendo ser enviadas por escrito ou eletronicamente, se solicitado.

A instituição financeira, se necessário, reserva-se ao direito de efetuar qualquer alteração na ordem de pagamento.

12/11/2010

Data

Assinatura do remetente



Ordem de pagamento para o exterior

Dados da conta a ser debitada para a operação :

Número da conta	Moeda	Valor	Data valor	Test Key
6054100101	USD	200.000,00	20/10/2010	45 435

Remetente

Nome :

Brasfumo Industria Brasileira de Fumos S/A

Endereço :

Av. das Industrias 130 - Distrito Industrial

Cidade :

Venâncio Aires - RS

CEP :

95.800-000

País :

Brasil

Beneficiário

Nome :

Brasfumo Industria Brasileira de Fumos S/A

Endereço :

Av. das Industrias 130 - Distrito Industrial

Cidade :

Venâncio Aires - RS

CEP :

95.800-000

País :

Brasil

Banco do Beneficiário

Banco

FNB International Banking

Cidade

Sandton - South Africa

SWIFT BIC

FIRNZAJJ

Conta do Beneficiário

0011749322

IBAN

-- X --

Banco Correspondente

JP Morgan Chase Bank

Cidade

New York - USA

SWIFT BIC

CHASUS33

Outros

Despesas externas por conta do:

☒ Remetente

☐ Beneficiário

Detalhes do pagamento

A instituição financeira efetuará esta operação, aplicando as condições e tarifas de acordo com os termos e condições do banco. É possível uma eventual alteração no valor da ordem, devido às despesas causadas por terceiros bancos envolvidos nesta transação. O cliente também se declara ciente e de acordo com as leis e normas gerais da União Européia, que regulam os procedimentos de ordens de pagamento internacionais, especialmente no que diz respeito à prazo de transferência e despesas bancárias. Estas informações encontram-se à disposição do cliente neste banco, podendo ser enviadas por escrito ou eletronicamente, se solicitado.

A instituição financeira, se necessário, reserva-se ao direito de efetuar qualquer alteração na ordem de pagamento.

20/10/2010

Data

MARCOS FIDELIS GAROFALO
Diretor Financeiro

Assinatura do remetente

LUCIANO RODRIGUES DA SILVA
Diretor Industrial



Ordem de pagamento para o exterior

Dados da conta a ser debitada para a operação :

Número da conta	Moeda	Valor	Data valor	Test Key
5054100101	USD	200.000,00	14/09/2010	45 2685

Remetente

Nome :

Brasfumo Industria Brasileira de Fumos S/A

Endereço :

Av. das Industrias, 130 - Distrito Industrial

Cidade :

Venâncio Aires - RS

CEP :

95.800-000

País :

Brasil

Beneficiário

Nome :

Brasfumo Industria Brasileira de Fumos S/A

Endereço :

Av. das Industrias, 130 - Distrito Industrial

Cidade :

Venâncio Aires - RS

CEP :

95.800-000

País :

Brasil

Banco do Beneficiário

Banco

FNB International Banking

Cidade

Sandton - South Africa

SWIFT BIC

FIRNZAJJ

Conta do Beneficiário

0011749322

IBAN

-- X --

Banco Correspondente

JP Morgan Chase Bank

Cidade

New York - USA

SWIFT BIC

CHASUS33

Outros

Despesas externas por conta do:



Remetente



Beneficiário

Detalhes do pagamento

A instituição financeira efetuará esta operação, aplicando as condições e tarifas de acordo com os termos e condições do banco. É possível uma eventual alteração no valor da ordem, devido às despesas causadas por terceiros bancos envolvidos nesta transação. O cliente também se declara ciente e de acordo com as leis e normas gerais da União Européia, que regulam os procedimentos de ordens de pagamento internacionais, especialmente no que diz respeito à prazo de transferência e despesas bancárias. Estas informações encontram-se à disposição do cliente neste banco, podendo ser enviadas por escrito ou eletronicamente, se solicitado.

A instituição financeira, se necessário, reserva-se ao direito de efetuar qualquer alteração na ordem de pagamento.

Data

Assinatura do remetente

LUZIANO RODRIGUES DA SILVA
Diretor Industrial

MARCOS FIDELIS GAROFALO

Diretor Financeiro



Ordem de pagamento para o exterior

Dados da conta a ser debitada para a operação :

Número da conta	Moeda	Valor	Data valor	Test Key
6054100101	USD	250.000,00	17/08/2010	45 3059

Remetente

Nome :

Brasfumo Industria Brasileira de Fumos S/A

Endereço :

Av. das Industrias, 130 - Distrito Industrial

Cidade :

Venâncio Aires - RS

CEP :

95.800-000

País :

Brasil

Beneficiário

Nome :

Brasfumo Industria Brasileira de Fumos S/A

Endereço :

Av. das Industrias, 130 - Distrito Industrial

Cidade :

Venâncio Aires - RS

CEP :

95.800-000

País :

Brasil

Banco do Beneficiário

Banco

FNB International Banking

Cidade

Sandton - South Africa

SWIFT BIC

FIRNZAJJ

Conta do Beneficiário

0011749322

IBAN

-- x --

Banco Correspondente

JP Morgan Chase Bank

Cidade

New York - USA

SWIFT BIC

CHASUS33

Outros

Despesas externas por conta do: ☒ Remetente ☐ Beneficiário

Detalhes do pagamento

A instituição financeira efetuará esta operação, aplicando as condições e tarifas de acordo com os termos e condições do banco. É possível uma eventual alteração no valor da ordem, devido às despesas causadas por terceiros bancos envolvidos nesta transação. O cliente também se declara ciente e de acordo com as leis e normas gerais da União Europeia, que regulam os procedimentos de ordens de pagamento internacionais, especialmente no que diz respeito à prazo de transferência e despesas bancárias. Estas informações encontram-se à disposição do cliente neste banco, podendo ser enviadas por escrito ou eletronicamente, se solicitado.

A instituição financeira, se necessário, reserva-se ao direito de efetuar qualquer alteração na ordem de pagamento.

17/08/2010
Data

Assinatura do remetente

JOÃO A. B. PERRONI
Presidente



Ordem de pagamento para o exterior

Dados da conta a ser debitada para a operação :

Número da conta	Moeda	Valor	Data valor	Test Key
6054100101	USD	200.000,00	21/05/2010	45 36%

Remetente

Nome :
Brasfumo Industria Brasileira de Fumos S/A
Endereço :
Av. das Industrias, 130 - Distrito Industrial
Cidade : CEP : País :
Venâncio Aires -RS 95.800-000 Brasil

Beneficiário

Nome :
Brasfumo Industria Brasileira de Fumos S/A
Endereço :
Av. das Industrias, 130 - Distrito Industrial
Cidade : CEP : País :
Venâncio Aires -RS 95.800-000 Brasil

Banco do Beneficiário

Banco	Cidade	SWIFT BIC
FNB International Banking	Sandton - South Africa	FIRNZAJJ
Conta do Beneficiário	IBAN	
0011749322	- X -	
Banco Correspondente	Cidade	SWIFT BIC
JP Morgan Chase Bank	New York - USA	CHASUS33

Outros

Despesas externas por conta do: ☒ Remetente ☐ Beneficiário

Detalhes do pagamento

A instituição financeira efetuará esta operação, aplicando as condições e tarifas de acordo com os termos e condições do banco. É possível uma eventual alteração no valor da ordem, devido às despesas causadas por terceiros bancos envolvidos nesta transação. O cliente também se declara ciente e de acordo com as leis e normas gerais da União Européia, que regulam os procedimentos de ordens de pagamento internacionais, especialmente no que diz respeito à prazo de transferência e despesas bancárias. Estas informações encontram-se à disposição do cliente neste banco, podendo ser enviadas por escrito ou eletronicamente, se solicitado.

A instituição financeira, se necessário, reserva-se ao direito de efetuar qualquer alteração na ordem de pagamento.

21/05/2010
Data

Assinatura do remetente

MARCOS FIDELIS GAROFALO

LUCIANO RODRIGUES DA SILVA

Diretor Financeiro

Diretor Industrial

A-1010 Viena, Franz-Josefs-Kai 47/3. OG - Fone: +43 1 512 66 63-0 FAX: +43 1 512 66 63-100 BRASATWW e
Angeben nach § 14HGB: Banco do Brasil AG, Wien - FN 100508g, Handelsgericht Wien - ATU 15355808 - DVR 0122769



Ordem de pagamento para o exterior

Dados da conta a ser debitada para a operação :

Número da conta	Moeda	Valor	Data valor	Test Key
6054100101	USD	200.000,00	12/05/2010	45 5701

Remetente		
Nome :		
Brasfumo Indústria Brasileira de Fumos S/A		
Endereço :		
Av. das Indústrias, 130 - Distrito Industrial		
Cidade :	CEP :	País :
Venâncio Aires - RS	95.800-000	Brasil

Beneficiário		
Nome :		
Brasfumo Indústria Brasileira de Fumos S/A		
Endereço :		
Av. das Indústrias, 130 - Distrito Industrial		
Cidade :	CEP :	País :
Venâncio Aires - RS	95.800-000	Brasil

Banco do Beneficiário		
Banco	Cidade	SWIFT BIC
FNB International Banking	Sandton - South Africa	FIRNZAJJ
Conta do Beneficiário	IBAN	
0011749322	-X-	
Banco Correspondente	Cidade	SWIFT BIC
JP Morgan Chase Bank	New York - USA	CHASUS33

Outros

Despesas externas por conta do: ☒ Remetente ☐ Beneficiário

Detalhes do pagamento

Payment Invoice 3263 FTM Tobacco International

A instituição financeira efetuará esta operação, aplicando as condições e tarifas de acordo com os termos e condições do banco. É possível uma eventual alteração no valor da ordem, devido às despesas causadas por terceiros bancos envolvidos nesta transação. O cliente também se declara ciente e de acordo com as leis e normas gerais da União Europeia, que regulam os procedimentos de ordens de pagamento internacionais, especialmente no que diz respeito à prazo de transferência e despesas bancárias. Estas informações encontram-se à disposição do cliente neste banco, podendo ser enviadas por escrito ou eletronicamente, se solicitado.

A instituição financeira, se necessário, reserva-se ao direito de efetuar qualquer alteração na ordem de pagamento.

12/5/2010.
Data

Assinatura do remetente
MARCOS FIDELIS GAROFALO
Diretor Financeiro

CLÁUDIO RODRIGUES DA SILVA
Diretor Industrial



Ordem de pagamento para o exterior

Dados da conta a ser debitada para a operação :

Número da conta	Moeda	Valor	Data valor	Test Key
6054100101	USD	200.000,00	22/03/2010	45 7218

Remetente

Nome :

Brasfumo Indústria Brasileira de Fumos S/A

Endereço :

Av. das Indústrias, 130 - Distrito Industrial

Cidade :

Venâncio Aires/RS

CEP :

95800-000

País :

Brasil

Beneficiário

Nome :

Brasfumo Indústria Brasileira de Fumos S/A

Endereço :

Av. das Indústrias, 130 - Distrito Industrial

Cidade :

Venâncio Aires/RS

CEP :

95800-000

País :

Brasil

Banco do Beneficiário

Banco

FNB International Banking

Cidade

Sandton - South Africa

SWIFT BIC

FIRNZAJJ

Conta do Beneficiário

0011749322

IBAN

- x -

Banco Correspondente

JP Morgan Chase Bank

Cidade

New York - USA

SWIFT BIC

CHASUS33

Outros

Despesas externas por conta do:



Remetente



Beneficiário

Detalhes do pagamento

Partial Payment Invoice 3165/C.

A instituição financeira efetuará esta operação, aplicando as condições e tarifas de acordo com os termos e condições do banco. É possível uma eventual alteração no valor da ordem, devido às despesas causadas por terceiros bancos envolvidos nesta transação. O cliente também se declara ciente e de acordo com as leis e normas gerais da União Européia, que regulam os procedimentos de ordens de pagamento internacionais, especialmente no que diz respeito à prazo de transferência e despesas bancárias. Estas informações encontram-se à disposição do cliente neste banco, podendo ser enviadas por escrito ou eletronicamente, se solicitado.

A instituição financeira, se necessário, reserva-se ao direito de efetuar qualquer alteração na ordem de pagamento.

22/03/2010.

Data

Assinatura do remetente



Ordem de pagamento para o exterior

Dados da conta a ser debitada para a operação :

Número da conta	Moeda	Valor	Data valor	Test Key
6054100101	USD	200.000,00	12/02/2010	45 2685

Remetente

Nome :

Brasfumo Industria Brasileira de Fumos S/A

Endereço :

Av das Industrias 130 - Distrito Industrial

Cidade :

Venancio Aires - RS

CEP :

95.800 - 000

País :

Brasil

Beneficiário

Nome :

Brasfumo Industria Brasileira de Fumos S/A

Endereço :

Av das Industrias 130 - Distrito Industrial

Cidade :

Venancio Aires - RS

CEP :

95.800 - 000

País :

Brasil

Banco do Beneficiário

Banco

FNB International Banking

Cidade

Sandton / South Africa

SWIFT BIC

FIRNZAJJ

Conta do Beneficiário

0011749322

IBAN

Banco Correspondente

JPMorgan Chase Bank

Cidade

New York

SWIFT BIC

CHASUS33

Outros

Despesas externas por conta do:



Remetente



Beneficiário

Detalhes do pagamento

Partial Payment Invoice 3165/C

A instituição financeira efetuará esta operação, aplicando as condições e tarifas de acordo com os termos e condições do banco. É possível uma eventual alteração no valor da ordem, devido às despesas causadas por terceiros bancos envolvidos nesta transação. O cliente também se declara ciente e de acordo com as leis e normas gerais da União Européia, que regulam os procedimentos de ordens de pagamento internacionais, especialmente no que diz respeito à prazo de transferência e despesas bancárias. Estas informações encontram-se à disposição do cliente neste banco, podendo ser enviadas por escrito ou eletronicamente, se solicitado.

A instituição financeira, se necessário, reserva-se ao direito de efetuar qualquer alteração na ordem de pagamento.

12/02/2010

Data

Marcelo

Assinatura do remetente



RAND MERCHANT BANK

A division of FirstRand Bank Limited

Statement: 10422/STCF/Brasfumo

Brasfumo Industria Brasileira de Fumos S.A
Venancio Aires RS
Brasil

Attention: Mr Celso Leomar Krug
Tel: 55 51 3741 2475
Fax: 55 51 3741 2364
E-mail: marcos@brasfumo.com.br

Date: 30 June 2011

Contact person: Trudy Govender
Tel : +27 11 282-8036
E-Mail : trudy.govender@rmb.co.za

Page 1 of 1

Decription	Amount (USD)	Libor Rate	Margin	All-in-Rate	Value Date	Total due
Facility 1 (Pre-export Finance)	-211.303,21				30 June 2011	-211.303,21
Interest due (Pre-export Finance)	0,00	0,25%	5,00%	5,25%	30 June 2011	0,00
Sub-total						-211.303,21
					VAT at 0%:	0,00
					Total amount due:	USD 211.303,21

Account details: