

## REYNOLDS AMERICAN INC.

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### Whistleblower Policy

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#### **Mission Statement**

Reynolds American Inc. (the “Company”) and its subsidiaries are committed to high standards of business conduct. In line with this commitment, employees have the right – and the duty – to raise, in good faith, concerns about improper business conduct without fear of retaliation in any form.

The Board of Directors of the Company (the “Board”) is adopting this Policy to ensure (a) that employees of the Company and its subsidiaries have a confidential and, if so desired, anonymous means by which to submit good faith concerns about improper business conduct, without fear of retaliation, and (b) that every submission is properly investigated and responded to in a timely manner.

#### **No Retaliation**

Retaliation of any kind (including, for example, harassment) against employees for raising a good faith concern about improper business conduct will not be tolerated. Additionally, no employee shall be adversely affected because the employee refuses to carry out an instruction that would constitute fraud, or would be a violation of federal or state laws or the Company’s Code of Conduct.

#### **Confidentiality**

The Company will protect the confidentiality of the concern raised and, if disclosed, the identity of the reporting person. Such information shall be shared only on a “need-to-know” basis with those individuals investigating or responding to the concern, consistent with the need to conduct an adequate review and to prepare an adequate response.

#### **Reporting Mechanisms**

Employees of the Company and its subsidiaries who are or become aware of (a) suspected misconduct, illegal activities, fraud or abuse relating to the Company’s accounting, internal accounting controls or auditing matters, (b) possible violations of federal or state securities laws or regulations, (c) possible violations of other federal or state laws, such as the U.S. Foreign Corrupt Practices Act or the U.S. Family Smoking Prevention and Tobacco Control Act, or (d) possible violations of the Company’s Code of Conduct, are encouraged to report such matters to management, a Human Resources representative, the Head of the Company’s Office of Ethics and Compliance or the General Counsel of the Company (or his or her designee) (each such instance, a “Report”).

To encourage and facilitate such Reports, the Company maintains the *EthicsLine*, a hotline staffed by trained, independent third-party professionals, whereby employees of the Company and its subsidiaries may make Reports anonymously. The *EthicsLine* is available 24 hours per day, 7 days per week. Employees may contact the *EthicsLine* by telephone at 1-800-500-0333 or fax at 1-800-500-0993, or by logging onto the Web at <http://rai.myethicsline.com>.

Employees also may report such matters directly to the Board. Correspondence should be sent to the Corporate Secretary, Reynolds American Inc., P.O. Box 2990, Winston-Salem, North Carolina 27102-2990, in an envelope labeled with a legend such as “Submitted pursuant to the Whistleblower Policy.”

### **Screening**

Upon receipt of a Report, the Head of the Company’s Office of Ethics and Compliance (if such Report is reported through the *EthicsLine* or referred to the Office of Ethics and Compliance) or the Company’s Vice President of Workplace Practices (if such Report is reported through the Workplace Practices Hotline or referred to the Human Resources Department) shall review the Report and shall determine if the investigation of such Report shall follow the Company’s standard investigation procedures or be referred to an investigation team composed of the General Counsel of the Company (or his or her designee), the Chief Human Resources Officer of the Company (or his or her designee), the Vice President – Workplace Practices of the Company and the Head of the Company’s Office of Ethics and Compliance (collectively, the “Investigation Team”). Under the screening process, Reports shall be referred to the Investigation Team for its review and consideration unless the Report (a) does not appear to be credible, (b) involves human resources or employment matters, or (c) involves violations of the Company’s Code of Conduct that would not have a material adverse impact on the financial statements or reputation of the Company or its subsidiaries.

Notwithstanding the foregoing, any Report involving the actions of a member of the Company’s Leadership Team shall be referred to the Investigation Team for its review and consideration.

### **Investigations; Roles and Responsibilities**

Upon referral of a Report, the Investigation Team shall meet to review the Report, determine the method of investigating the matters raised in the Report (including whether to use internal resources or an independent external investigator) and, if applicable, make recommendations to Company management about any immediate actions necessary to strengthen the control environment. The General Counsel of the Company shall serve as the leader of the Investigation Team.

In making the determination of whether the Investigation Team or an independent external investigator should conduct an inquiry or investigation into a Report, the Investigation Team will consider, in addition to any other factors that are appropriate under the circumstances, the following:

1. Who is the alleged wrongdoer? If an executive officer, senior financial or accounting officer or other high management official is alleged to have engaged in wrongdoing, that factor may weigh in favor of an independent external investigator.
2. How serious is the alleged wrongdoing? If the alleged wrongdoing would constitute a crime or would potentially involve the integrity of the financial statements of the Company, that factor may weigh in favor of an independent external investigator conducting the inquiry or investigation.
3. What is the nature of the allegation of wrongdoing? The Investigation Team should consider all facts surrounding the allegation, including but not limited to whether similar allegations previously have been made or raised by regulatory authorities or the press.

The substance of the allegations of each Report referred to the Investigation Team, as well as the determined method of conducting the investigation, shall be provided to the Chair of the Board promptly after receipt of such Report.

For purposes of this Policy, an “independent external investigator” shall mean a lawyer or other external investigator who individually or through his or her relationship with a law or audit firm does not have a material pre-existing relationship with the Company or one of its subsidiaries, other than through the investigation of a prior Report. The General Counsel of the Company shall serve as the liaison between the external investigator and the Company, and shall maintain a list of potential independent external investigators. If an external investigator is retained, the external investigator shall prepare a memorandum containing findings and recommendations based on the results of the investigation.

If the investigation is conducted by the Investigation Team, the General Counsel (or his or her designee) shall prepare a memorandum containing findings and recommendations based on the results of the investigation.

The findings and recommendations of the Investigation Team or the external investigator, as applicable, shall be reported to the Chair of the Board. If the allegations in the Report are substantiated, the findings and recommendations (along with a copy of the memorandum, if appropriate) shall be provided to the Board.

**Responses**

After the completion of an investigation, if the findings of the Investigation Team or the external investigator, as applicable, substantiate the allegations in the Report, the Board, after consultation with the General Counsel of the Company, will determine the appropriate actions required to remedy any past or existing misconduct, fraud, abuse or illegal activities and to prevent the occurrence of such misconduct, fraud, abuse or illegal activities in the future. The Board also will discuss the findings with the General Counsel of the Company to determine whether public disclosure, disclosure to governmental agencies, and/or disclosure to the General Counsel or Group Head of Business Conduct and Compliance of British American Tobacco p.l.c. is necessary or appropriate.

**Periodic Reports**

The Board shall periodically receive reports from the Head of the Company's Office of Ethics and Compliance concerning Reports received by the Company through the *EthicsLine* or referred to the Investigation Team pursuant to this Whistleblower Policy, and all actions taken by the Company in response to such Reports.

**Retention of Records**

The Head of the Company's Office of Ethics and Compliance shall retain a copy of the Reports, and investigation reports and other records related thereto, for a period of at least ten years.

**False Reports**

Employees who knowingly raise a misleading or false concern, or raise a concern without a reasonable belief as to its truth or accuracy, will not be protected by this Policy and may be subject to discipline, including termination of employment.

Adopted: August 18, 2004  
Last Revised: August 17, 2017