

REYNOLDS AMERICAN INC.

Qualified Legal Compliance Committee Charter

Designation The Audit and Finance Committee of the Board of Directors of Reynolds American Inc. (“RAI”) hereby is designated by the Board of Directors as a “qualified legal compliance committee” within the meaning of 17 CFR Part 205.

Purpose The Qualified Legal Compliance Committee (“QLCC”) is created by the Board of Directors of RAI to review any report made directly, or otherwise made known, to the QLCC by attorneys employed or retained by RAI or its subsidiaries of a material violation of U.S. federal or state securities law, a material breach of fiduciary duty arising under U.S. federal or state law or a similar material violation of any U.S. federal or state law (a “material violation”), all in accordance with the provisions of 17 CFR Part 205, as amended from time to time (“Part 205”).

The QLCC shall also review and consider reports made in accordance with RAI’s Professional Conduct Policy.

Authority and Responsibilities In addition to any other responsibilities which may be assigned from time to time by the Board of Directors, the QLCC has the authority and responsibility for the following matters:

- (a) *Receipt, Retention and Consideration of Reports.* The QLCC shall adopt written procedures for the confidential receipt, retention and consideration of any report of evidence of a material violation under Part 205 or any report under RAI’s Professional Conduct Policy of a possible violation of law (a “report”).
- (b) *Investigation of Reports.*
 - (1) Upon receipt of a report, the QLCC shall:
 - (A) inform the General Counsel of RAI, as the chief legal officer (“CLO”), and the chief executive officer of RAI (“CEO”) of such report, unless such notification would be futile; and
 - (B) determine whether an investigation is necessary regarding any report of evidence of a material violation by RAI, its subsidiaries or any of their

officers, directors, employees or agents.

(2) If the QLCC determines an investigation is necessary or appropriate, the QLCC shall:

- (A) notify the full Board of Directors;
- (B) initiate an investigation, which may be conducted either by the CLO or by outside attorneys; and
- (C) retain such expert personnel as the Committee deems necessary.

(c) *Making Recommendations for Adoption of Appropriate Response.* At the conclusion of any such investigation, the QLCC shall:

(1) recommend that RAI implement an appropriate response to the evidence of a material violation, which appropriate response may include:

- (A) a finding that no material violation has occurred, is ongoing or is about to occur;
- (B) the adoption of appropriate remedial measures, including appropriate steps or sanctions to stop any material violations that are ongoing, to prevent any material violation that has yet to occur and to remedy or otherwise appropriately address any material violation that has already occurred and to minimize the likelihood of its recurrence; or
- (C) the retention or direction of an attorney to review the reported evidence of a material violation and, after such review, report that either (i) RAI has substantially implemented any remedial recommendations made by such attorney after a reasonable investigation and evaluation of the reported evidence or (ii) RAI may, consistent with a conclusion not in conflict with such attorney's professional obligations, assert a colorable defense on behalf of RAI, its subsidiaries or its or their officers, directors, employees or agents, in an investigation or judicial or administrative proceeding relating to the reported evidence of a material violation; and

(2) inform the CLO, the CEO and the Board of Directors of the results of any such investigation initiated by the QLCC and

the appropriate remedial measures to be adopted.

- (d) *Authority to Notify the SEC.* The QLCC may take all other appropriate action, including notifying the Securities and Exchange Commission, if RAI fails in any material respect to implement an appropriate response that the QLCC has recommended for adoption by RAI.
- (e) *Reporting to the Board of Directors.* The QLCC shall report periodically to the Board of Directors. This report will include a review of the report(s) received, the investigations conducted, conclusions reached and responses recommended by the QLCC and any other matters that the QLCC deems appropriate or is requested to be included by the Board of Directors.

Procedures The QLCC may act only by majority vote.

The QLCC shall meet as often as it determines is appropriate to carry out its responsibilities under this Charter. The Chair of the Audit and Finance Committee of the Board of Directors of RAI shall be the Chair of the QLCC. The Chair of the QLCC, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this Charter.

The QLCC is authorized (without seeking Board approval) to retain outside attorneys and other expert personnel to assist the QLCC as it deems necessary. The QLCC is authorized to obtain appropriate funding, as determined by the QLCC, for payment of compensation to such attorneys and other expert personnel and for ordinary administrative expenses of the QLCC that are necessary or appropriate for carrying out its duties.

Adopted: July 28, 2004
Revised June 2009