

Reynolds American Tax Policy

Reynolds American Inc. and its subsidiaries contribute significant economic value to the jurisdictions in which they operate. This economic value results not just from employment and purchases of goods and services, but also from various and significant tax payments, including state and federal income tax and federal excise taxes. Reynolds American and its operating companies recognize their obligation to contribute to the economic and social well-being of the jurisdictions in which they operate by complying with relevant tax laws. We acknowledge as well the public's interest in ready access to appropriate information relating to the Company's compliance with these laws.

1. **Transparency:** The Company will annually make available on its website relevant excerpts from its annual report on form 10-K as designated by the Vice President, Tax of Reynolds American.
2. **Accountability:** RAI Services – Tax is accountable for managing the planning, forecasting, reporting, payment, and preparation of returns for all federal, state, and local income and regulatory tax obligations of all RAI subsidiaries.
3. **Objective:** Ensuring compliance with all tax laws and regulations while minimizing the overall tax burden of RAI and its subsidiaries through legal and ethical tax planning opportunities.
4. **Transforming Tobacco:** RAI Services – Tax supports tobacco harm reduction by working with internal business partners and, where appropriate, state or other regulatory authorities to address tax issues associated with innovative products in advance of distribution to ensure that no interruptions occur in the distribution process.
5. **Policy Maintenance:** The Vice President, Tax of Reynolds American is responsible for annually reviewing this policy and presenting any proposed changes to the Governance and Sustainability Committee of the Reynolds American Leadership Team.

