

CC-1-20

January 7, 2020

To: Our Direct Buying Customers, Subjobbers and Retailers

SUBJECT: FDA Guidance Regarding Vapor Products

Today, January 7, 2020, the U.S. Food and Drug Administration (FDA) officially filed its guidance regarding nicotine vapor products.

RAI Trade Marketing Services Company (RAI TMS) is currently reviewing the FDA guidance to determine our next steps moving forward. We will provide additional information about our plan to support RJRV direct buying customers, subjobbers and retailers soon. In the interim, we ask that our trade customers be guided by the following:

- Reynolds American Inc. (RAI) and its operating companies and subsidiaries intend to take appropriate commercial steps in light of the FDA guidance.
- RAI TMS intends to ensure an orderly returns process for the remaining inventory of certain RJRV products in light of the FDA guidance.
- We anticipate that our returns process will begin at retail on or around February 7, 2020. Our plan, once
 communicated, will accommodate returns of affected products from RJRV direct buying customers,
 subjobbers and retailers.

At this time, we ask that our direct buying customers, subjobbers and retail customers <u>conduct business as usual</u> <u>with regard to placing and fulfilling supplier orders and retail sales of RJRV flavored vapor products until further notice. We will provide additional details of our customer support plan in the coming days.</u>

 As a reminder, all retail returns of the products in the table below are currently suspended, as communicated to our direct customers in CC-240-19 (dated December 18, 2019) and to our subjobber and retail customers in CC-241-19 (dated December 18, 2019):

All VUSE products:		
Alto, VIBE, CIRO, SOLO (including	All CAMEL SNUS products	All ASC Products
cartridges, tanks, pods, Power Units		
and Starter Kits)		

<u>Direct Buying Customers</u> – <u>Please provide a copy of this communication to your retail and subjobber customers that purchase RJRV vapor products</u>

If you have questions regarding this communication, please contact your RAI TMS representative.

Thank you for your continued partnership,

RAI TRADE MARKETING SERVICES COMPANY (a subsidiary of Reynolds American, Inc. that provides marketing agreements, programs, and services on behalf of R.J. Reynolds Tobacco Company, American Snuff Company, LLC, Santa Fe Natural Tobacco Company, Inc. and R.J. Reynolds Vapor Company)

