

CODE OF CONDUCT

USTC CODE OF CONDUCT



To All Employees:

As a grower-owned, sales and marketing agriculture cooperative, we have the privilege to work with and for some of the best people in our country - American Farmers. These hardworking men and women take huge risks in exchange for uncertain rewards with many factors like weather, currency rates and global markets that are well beyond their control. They are people worth working for. The right response from each of us is to give them our very best.

Over the past few years, we have made a number of changes at USTC with the goal of building a world class organization. We want to be excellent at everything we do - as a leaf supplier, a manufacturer, a consumer products company and a distributor. Central to that goal is that we build a strong culture with great values. Our conduct needs to be beyond reproach. My expectations of every employee boil down to three basic guidelines. Each of us needs to do the right thing, do the best that we can and treat others the way we want to be treated. These simple concepts are further detailed in our Core Values which each of us has signed and agreed to strive to achieve. I say "strive" because some of our Core Values such as Total Commitment to Excellence and Innovation are a constant challenge to us to be better than we are today. It's a way of life, not a goal that you reach.

While our Core Values are explicit, sometimes well-meaning individuals can draw different conclusions as to what they mean and how they should be applied. In order to help guide us, we have developed this Code of Conduct. Think of it as an extension of our Core Values designed to give more direction in specific circumstances. I hope that you will find it useful. For situations where you are still unsure what is the right thing to do - just ask. We want to support each of you in making great decisions.

Thank you for all that you do for USTC and the commitment you have made to change our culture and make us the very best. We are headed in the right direction and building a culture of excellence. Take pride in what you have accomplished, what you are a part of and what you are building.

Our Core Values

Grower-Focused

We will be dedicated to our Growers. We will provide results leading to prosperity and long-term benefits for our members.

Safety & Security

We will incorporate safety into everything we do. We will provide a safe and secure workplace for all employees, supporting job satisfaction, family life balance and personal enjoyment.

Total Commitment to Excellence

We will strive for excellence at all times and seek to continually improve our performance. We will strive to be the best at what we do. We will focus on the future, not on the past. We will learn from our past experiences.

Teamwork

We will treat others the way we want to be treated and will work as a team to accomplish our objectives. We will treat each other with respect and encourage open honest dialogue. We will exhibit kindness, support and compassion for our teammates.

Honesty & Integrity

We will perform our job to the best of our ability with the highest level of honesty and integrity, regardless of what others are doing.

Innovation

We will encourage, expect and support innovation as we creatively adapt to changing strategies. As change agents, we will proactively identify challenges and opportunities, implementing creative solutions.

Execution & Results

We will focus on achieving results through flawless execution. We will take responsibility for our actions and perform our responsibilities with the highest ethical standards. When we see problems, we will own them until they are resolved. We will hold ourselves and each other accountable for our actions and for accomplishing established goals and objectives.

Celebrate Success

We will recognize and celebrate both our professional and personal achievements.

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Making The Right Call

We must always demonstrate our commitment to the USTC standards of ethics and professional behavior in our dealings with our customers, business colleagues, our growers and each other. How we do business and how we treat others defines our Company to others.

The Code of Conduct is for you. It sets the boundaries within which all employees must operate every day, without exception. Please read and understand this Code, and keep it in a convenient place so that you can refer to it whenever you have a question about business ethics.

Our Code cannot give you specific advice for every situation or decision. To help you or your team think about any particular questions you may have relating to our Code of Conduct, follow the procedure on the next page to **Make The Right Call** in business situations.



**“How we do business
and how we treat
others defines our
company to others.”**

5 Key Steps

Ensure that your actions support our Core Values.
These shared values guide us in all of the work we do.

Know your job. Be aware of all laws, regulations and company policies that apply to your areas of operation.

Lead by example to create a positive reputation for USTC and yourself.

Make sure you really understand the consequences of your actions and feel comfortable taking accountability for them. Would I or USTC be comfortable reading about this in the media?

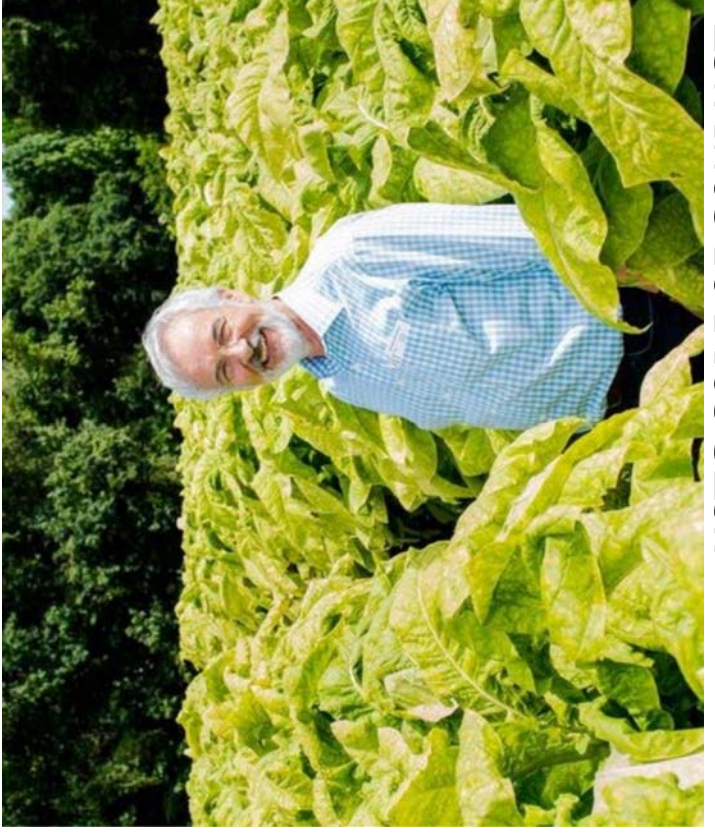
Ask before acting if you aren't sure. You are responsible for getting answers to any ethics and business conduct questions you have before taking action.

“Lead by example to create a positive reputation for USTC and yourself.”

CODE BASICS



Code Basics



USTC CODE OF CONDUCT 7

Individual Responsibility

This Code is written to emphasize that everyone who is a part of the USTC family of companies, its officers, directors and anyone who works with USTC when they are acting on our behalf are expected to follow this Code and conduct themselves with the highest standards of business ethics. We expect that business dealings with others will be conducted according to the Making the Right Call procedure and with respect for the law. We expect this behavior because we believe that these actions are in the long-term best interests of the Cooperative.

Every employee is responsible for being familiar with and complying with the entire Code, because even one employee who fails to act with **honesty** and **integrity** can damage the reputation of USTC. If you see or learn of behavior that concerns you, or that may represent a violation of our Code, it is your responsibility to raise the issue immediately. Doing so gives our Company an opportunity to deal with the issue and correct it.

“We expect that business dealings with others will be conducted according to the MAKING THE RIGHT CALL procedure and with respect for the law.”



Management

USTC believes it is important for all employees to have a voice in raising concerns. Any time you wish to discuss a policy, work practice, procedure, or any other issue that affects the work environment, you can feel free to speak to any member of Management. Because of the relationship that exists between a manager and an employee, your immediate manager is usually the most appropriate place to begin. However, if you are uncomfortable talking to your immediate manager, you should feel free to speak to a more senior manager or a Human Resources representative.

The USTC Ethics Hotline

The USTC Ethics Hotline is also available to enable you to report concerns you might have about possible misconduct. This hotline will allow you to remain anonymous if you choose; however, a request to remain anonymous may make it more difficult to follow up and ensure resolution of a concern.

To make a report:

Call: 844-490-002 (English)

800-216-1288 (Spanish)

*Fax: 215-689-3885

*Email: reports@lighthouse-services.com

*Online: www.lighthouse-services.com/usleaf

* Please include company name

“USTC believes it is important for all employees to have a voice in raising concerns.”

The USTC Compliance Team

To contact the USTC Compliance Team, please send an email with the nature of your concern to: compliance@usleaf.com

The appropriate team member will respond to your concern within 24 hours.



Officer and Manager Responsibility

We expect our Managers to model our ethical standards and to help us manage the risks we encounter as we do business. Our Managers have a special obligation to show leadership in following our Code and maintaining a culture of commitment to ethics and compliance, where Making the Right Call is always expected.

Managers have a duty to make sure the employees they supervise know about the provisions of the Code, the Ethics Hotline and other resources available to them for seeking advice or reporting a concern.



Additional Provisions

This Code cannot cover every law or USTC policy, nor does it describe specific procedures related to those topics. The Company maintains additional policies and procedures, and all of USTC’s employees, Management and directors are expected to understand and follow the policies and procedures distributed to them and adhere to any new or changed policies or procedures.

In unusual circumstances, the Compliance Team may consider requests for exceptions to this Code. An exception will not be granted if it results in a violation of the law.

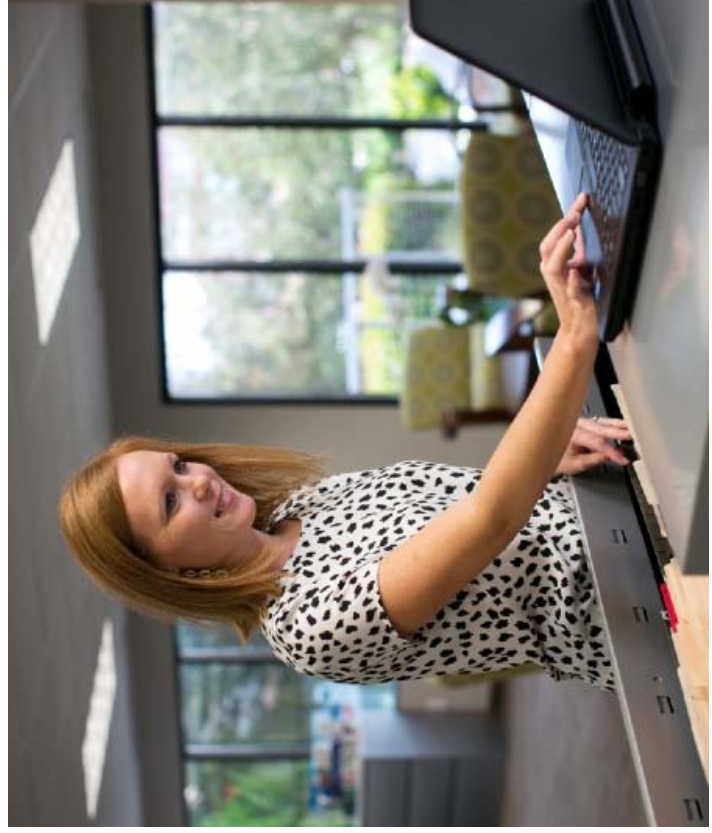
Nothing in this Code constitutes a contract of employment with any employee, and it does not alter the terms and conditions of employment with any employee.

Zero Tolerance Policy for Retaliation

USTC will not tolerate any form of retaliation directed against anyone who raises a concern in “good faith” about a possible violation of the Code. Good faith means that you are telling the truth to the best of your knowledge and understanding. Any act or threat of retaliation against a USTC employee will be treated as a serious violation of our Code and will result in disciplinary action which may include dismissal.



Execution and Results



General Standards and Practices

Business Records and Financial Integrity

We rely on our employees to maintain honest, accurate, timely and clear records. All financial and operational reports, accounting records, expense accounts, sales records, time sheets and other documents must accurately and clearly present the relevant facts and conditions of transactions, and conform to applicable legal requirements and USTC's system of internal controls.

All financial statements must be prepared according to Generally Accepted Accounting Principles, and must not contain intentional omissions, misleading or misrepresented transactions. Employees must act responsibly, with competence and diligence without misrepresenting material facts or allowing your independent judgment to be compromised. All material mistakes must be immediately reported. Company funds are for use only for lawful and proper purposes. No employee, director or officer may authorize an expenditure or transfer of funds outside of applicable laws, regulations and USTC policies. Unrecorded corporate accounts or assets are prohibited.

If you believe a violation has occurred or if an investigation is about to begin, it is important that you take special care to retain any information or records related to the violation or imminent investigation. This means, in part, that no employee of USTC may intentionally omit, withhold, destroy or falsify any information or records necessary to be disclosed to a government accountant or auditor in connection with any authorized audit. We must also comply with all applicable litigation hold instructions immediately and consistently.

“We rely on our employees to maintain honest, accurate, timely and clear records.”



Protecting Personal Information

You are responsible for safeguarding the Personal Information of our growers, employees and customers that is under your control. Only collect grower, employee or customer information for a legitimate business purpose and in accordance with data privacy laws and identity theft legislation.

In order to make sure that we use Personal Information responsibly, USTC only



allows approved personnel to handle Personal Information. If using Personal Information is not a part of your regular duties, always get approval to access it.

Access to Personal Information comes with a responsibility to protect it; do not share Personal Information unless permitted to, and if you become aware that Personal Information has been compromised, you are expected to report it immediately.

What is Personal Information?

Personal Information is information which, when combined with other information, identifies an individual or renders an individual reasonably identifiable. Information of this type can consist of an individual's:

- Full name
- Social security number
- Credit card number
- Address
- Birthdate
- Email address
- Telephone number

“Access to Personal Information comes with a responsibility to protect it.”



“You should always use Company assets for legitimate business purposes and never for personal gain or in a way that could compromise our business.”

Protection and Proper Use of Company Assets

The Company provides us with the tools to do our jobs, and we should always protect these assets and ensure that they are used efficiently. Company assets include company funds, equipment, supplies, vehicles and facilities as well as your time and that of your co-workers. You should always use Company assets for legitimate business purposes and never for personal gain or in a way that could compromise our business. You should also never dispose of or destroy any Company property without permission.

The USTC, Premier, Big South, U.S. Flue Cured Tobacco, King Maker Marketing, and Franchise brands are key assets of our company. To make sure that we maintain the integrity and value of these brands, we should always adhere to brand standards when using any of our names, logos, or references to our companies. Contact our Marketing Manager in the Raleigh USTC office if you are unsure of proper usage.

Entertainment and Gifts



Although strong customer relationships are important to the success of our business, we must take care to maintain fair, objective and transparent business relationships and give gifts only when they are consistent with good business practices and are a normal business courtesy given for the purpose of promoting goodwill. No gift or entertainment may be given or received that creates, or appears to create, obligations.

Remember that USTC's workplace values and standards apply to all after-hours customer entertainment, and make sure that you are sensitive to any behavior that may damage our reputation. If you have a question about whether a gift or activity is acceptable, please speak with your supervisor.

Unacceptable practices include:

- The giving or receipt of cash or cash equivalents; these are never permitted.
- Offering or accepting anything that harms the reputation of the Cooperative.
- Giving or receipt of gifts with a value above \$50 without the written approval of USTC's CEO.

“If you have a question about whether a gift or activity is acceptable, please speak with your supervisor.”

Conflicts of Interest

We have a responsibility to make sure our outside activities do not negatively affect the Company's business, involve misuse of the Company's resources, or in any way constitute a potential source of discredit to the Company's name or goodwill. You're always expected to act in ways that reflect our **Total Commitment to Excellence** and responsible business behavior.

In order to avoid a conflict of interest, you should make sure that every business decision that you make is in the best interests of the company, and is free of influence by your own personal, customer, or vendor relationships.

We rely on you to exercise sound judgment and to seek advice whenever you have questions about whether an action constitutes a conflict of interest. To discuss a potential conflict of interest, you may speak with your immediate supervisor or the USTC Human Resources Department.

If you become aware that you have a conflict of interest that cannot be avoided, you are expected to disclose the conflict to USTC's CFO immediately.

“A conflict of interest is any situation where an individual’s private interests interfere in any way with the interests of the Company.”



We create, use and share confidential information every day, and it is important to protect the Company's interests and reputation when doing so. If you are given access to confidential or proprietary information, you are required to adhere to any agreement to keep the information confidential. You may never intentionally get access to any sensitive information for an unauthorized or illegal purpose. All confidential information that you have access to should only be used for USTC's legitimate business purposes.

We must maintain and protect the confidentiality of all sensitive information that we have access to. In order to ensure that confidential information is handled properly throughout the Company you should:

- Share confidential information with others only on a "need to know" basis for legitimate business reasons.
- Make sure that confidential information is properly stored. When using electronic devices, you should take steps to create good passwords or password protect documents when necessary.
- Use good judgment when discussing confidential information in public places.
- Make sure that the appropriate non-disclosure agreements are in place when disclosing confidential information to approved individuals.

We want to be consistent and legally compliant in our disclosures to authorized personnel or agencies. If you are asked to disclose confidential information, you are required to contact USTC's CFO for guidance prior to sharing sensitive company information.

Corporate Opportunities/ Contracts



We have a duty to help USTC succeed when we have the opportunity to do so. You and your family cannot pursue any new business prospects you become aware of while performing your job at USTC without the express written permission of the CEO.

Your actions cannot compete in any way with business in which USTC or its family of companies engages, nor can you use any Company information for personal gain.

“We have a duty to help USTC succeed when we have the opportunity to do so.”



Honesty and Integrity



Bribery and Corruption/Foreign Corrupt Practices Act

Directly or indirectly offering or accepting bribes, kickbacks or any other benefits with the goal of influencing behavior is strictly prohibited. This policy applies to any employee or representative of the company.

In addition, as a company who does business globally, USTC and its employees are governed by the United States Foreign Corrupt Practices Act of 1977 and similar laws of other countries in which we do business. This means that we can never make or authorize payment of money or anything of value, to foreign government officials, political parties, or candidates for political office outside the US or their families to win or retain business or to influence any act or decision of those officials. Payments made indirectly through a third party are subject to the same restrictions. You are expected to know and understand what a third party is doing on your behalf.



“Offering or accepting bribes, kickbacks or any other benefits with the goal of influencing behavior is strictly prohibited.”

Your Responsibilities

Dealing with government employees is not the same as dealing with others we encounter in the course of our business. It is your responsibility to be aware of any restrictions or prohibitions that apply to transactions with local or foreign government employees and to adhere to them.

Be aware of business dealings where there may be an increased risk of corruption and take measures to manage risks.

Under no circumstances should you ever make payments to others in order to avoid laws or obligate individuals.

You have a duty to report corrupt behavior; failure to do so can result in liability for USTC and other individuals.

“You have a duty to report corrupt behavior.”



Fair Competition, Fair Dealing and Antitrust

Competition laws protect consumers and businesses. Competition laws can be confusing; however, failure to adhere to them can result in fines and damage to USTC's reputation. USTC is committed to fair dealing with customers, suppliers, competitors and employees as well as open competition. All employees are required to behave honestly, ethically and deal fairly with the Company's customers, suppliers, competitors and employees at all times.

Competing fairly means that we don't unfairly undermine or disparage our competitors, or offer "empty" promises concerning the Cooperative's services, products or capabilities. Under no circumstance should you have discussions or agreements with competitors about prices, bids, costs, terms or conditions of bids, choice of job or territorial restrictions on operations or allocations of markets.

You are expected to comply fully with anti-competition and anti-trust laws. Because these laws sometimes vary within the same country, you should ask questions if you have any doubt about proper compliance.

“USTC is committed to fair dealing with customers, suppliers, competitors and employees.”



Know Your Customer Illicit Trade & Money Laundering

At USTC, we build relationships based on honesty and integrity. We will only conduct business with partners we have determined operate similarly. USTC has developed a “Know Your Customer” program to protect our company from being used for money laundering, illicit trade and the counterfeiting of our customers’ brand-name products. This program emphasizes the importance of knowing and understanding who USTC is doing business with, identifying all parties involved in our transactions and looking for unusual activity. You should be familiar with and follow the “Know Your Customer” program so that you never knowingly or negligently become involved in these practices.

Key aspects of this program include:

- Never accept orders from any individual or entities known to be involved in criminal activity.
- Conduct proper due diligence checks prior to accepting any new customer.
- Follow procedures to review each current customer periodically to prevent our involvement with companies engaged in illicit trade.
- Never accept payments from anyone other than the person that you sold to.



Trade Compliance

Governments often issue regulations governing the import, export and domestic trading of goods and services. We must be sure that USTC and our customers comply with these international trade restrictions and import/export controls.

We are also required to adhere to all shipping rules and regulations, which cover things such as appropriate shipping documentation. This is an extremely complicated area, and you should consult USTC's CFO when confronted with a restrictive trade request, or whenever you have any doubt about the requirement related to your business dealings.

Competitive Intelligence

Competitive intelligence is the process of legally and ethically gathering and analyzing information about competitors and the industries in which they operate. Utilizing the best available intelligence will drive strong business decisions that allow us to stay at the forefront of advances in our industry. USTC's policy is to gather our intelligence in an ethical manner that will not violate any competition law. If you have any questions about whether you are gathering information ethically and lawfully, immediately consult USTC's CFO.

Examples of illegal activities include:

- Price fixing
- Bribery
- Theft
- Misappropriation of intellectual property
- Trespassing
- Receiving stolen property

Cooperation with Government Entities

USTC does business with local and international governments. While you should always follow the Making the Right Call process in every situation, you should be aware that there are additional rules when doing business with a government. If you are involved in any way with providing services to a government, it is your responsibility to comply with the guidelines in this section, and to ensure that you are aware of and follow any additional legal requirements based upon the specific circumstances.

When engaging with government entities, we will:

- Cooperate with reasonable and properly made requests from federal, state and local investigators; however, any subpoenas received or unusual requests made by a government official should immediately be forwarded to the CFO of USTC before any action is taken.
- Never accept or offer anything of value meant to induce or influence government employees or officials as this can be interpreted as a bribe.
- Never tip government employees or offer “facilitation” payments.
- Never make false or fictitious statements to government representatives.

Political Involvement



It is in USTC's best interests to actively engage in the support of political candidates who advocate for our growers in the tobacco and agriculture industries. We are committed to complying with all laws and regulations relating to political support.

USTC respects and encourages employee participation in the political process. However, it is important to separate personal political activity from USTC's so that we can protect USTC's interests, and prevent USTC's exposure to legal violations or penalties. You must not make company contributions from any division of the USTC family of companies for any political purpose. No reimbursements will be made to employees for political contributions.

“USTC respects and encourages employee participation in the political process.”

TEAMWORK



Teamwork





Respecting Others and Harassment Free Environment:

We practice and promote an open dialogue with our employees that is based on honesty, trust and mutual respect where talented people are able to work together to develop their careers. Employees and officers should expect that they will be judged on the basis of their job performance, not on personal characteristics such as race, religion, color, sex, national origin, age, disability, or other legally protected status. Any form of discrimination, harassment or intimidation that is unlawful or otherwise violates our policies, whether committed by or against a supervisor, co-worker, customer or visitor goes against this goal and has no place at USTC. Individuals engaging in harassing or discriminatory conduct will be subject to disciplinary action, up to and including dismissal.

“We practice and promote an open dialogue with our employees that is based on honesty, trust and mutual respect.”

TEAMWORK



Harassment can take many forms, and can be sexual or non-sexual in nature. Some common examples include:

- Slurs, threats, derogatory comments or offensive remarks.
- Inappropriate posted or written material (including texts or emails).
- Unwelcome sexual advances or requests for sexual favors, or other verbal or physical conduct of a sexual nature.

We encourage individuals who feel they may have been subjected to discrimination or harassment to discuss their complaint directly with the subject of the complaint if they feel comfortable doing so. If you do not feel comfortable speaking with that person, or if you observe what you believe to be discriminatory or harassing behavior, you have an obligation to inform your manager or a member of Human Resources Department.



Safety and Security





Safe Workplace

It is USTC’s policy to maintain a work environment that fosters the health and safety of our employees and protects the integrity of our business practices. You are prohibited from using or being under the influence of illegal drugs or alcohol while in the workplace or while performing work-related duties. You may not sell, buy, distribute or manufacture drug paraphernalia. You may use prescription drugs prescribed by licensed health care providers as long as they do not affect your ability to work safely and effectively.

A safe workplace means that the workplace must be free of violence. Threats or acts of violence whether committed by or against managers, co-workers, growers, vendors or visitors in the workplace will not be tolerated and must be reported immediately. Any employee who threatens or commits a violent act will be subject to disciplinary action, up to and including, dismissal.

USTC employees must comply fully with all applicable state, federal and local health and safety laws, and are expected to report any accident, unsafe act or workplace hazard immediately.

“A safe workplace means that the workplace must be free of violence.”

OTHER COMPANY POLICIES



Other Company Policies





Outside Employment

USTC recognizes that some of our employees may wish to work outside of their employment with USTC. Employees are permitted to engage in outside work, subject to restrictions outlined below. For the purposes of this Code, “outside employment” includes self-employment and consulting activities. When seeking outside employment, you must ensure that there is no conflict between your outside employment and your position with us.

In evaluating outside employment, USTC employees should consider the following:

- Does my outside employment cause a conflict or the appearance of a conflict?
- Does my outside employment affect my ability to perform my job duties objectively, benefit me at the expense of USTC or compete with any business or service provided by the Company?
- Is my outside employment performed during my typical workday with USTC or its family of companies?
- Am I planning to use Company assets for my outside employment, affiliations or activities?

If the answer to ANY of the above questions is yes, your outside employment is not permitted by USTC. Supervisors of any level must receive written approval from USTC’s CFO prior to accepting outside employment.



Employment of Relatives

Employment of relatives can also create actual or perceived conflicts of interest. To help avoid these conflicts of interest, USTC has established standards regarding the employment of relatives. A relative is any person connected to you by blood or marriage, or any person you treat in a similar way as someone connected to you by blood or marriage.

Relatives of current employees of USTC or its family of companies may be hired only if they will not be working directly for or supervising a relative. Pre-existing employment relationships may be allowed to continue; however, that exception does not apply to promotions, reassignments, and transfers after the effective date of this policy. No person related to an officer of member of the board may be hired without written approval from USTC’s CEO.

“A relative is any person connected to you by blood or marriage, or any person you treat in a similar way as someone connected to you by blood or marriage.”



I acknowledge that I have received and will read the U.S. Tobacco Cooperative Inc. Code of Conduct. I understand that I must comply with the principles, policies and laws described in the Code, including any amendments made by USTC.

I will report any potential violation that I become aware of promptly to my supervisor, the Human Resources Department, The Ethics Hotline, or the USTC Compliance Team. I understand that any violation of the Code of Conduct is grounds for disciplinary action, up to and including dismissal.

I understand that my agreement to comply with the USTC Code of Conduct neither constitutes nor should be interpreted to constitute either a contract of employment for a definite term, nor does it alter the terms and conditions of employment for any employee.

Employee Signature

Date

Employee Printed Name

