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British American Tobacco p.l.c.
Dividend Payments by Direct Credit – Frequently Asked Questions (FAQs)

Q. Why is British American Tobacco making these changes?
A. British American Tobacco (BAT) has, for many years, encouraged shareholders to provide bank/building society account details so that their dividends may be paid by direct credit rather than by cheque. The adoption of dividend mandates benefits both BAT and its shareholders because:
• Dividends are credited to your account on the payment date as cleared funds
• It eliminates the delay involved in depositing the cheque and waiting for the funds to be cleared
• It removes the risk of loss or theft of dividend cheques
• It is less expensive than issuing cheques
• It reduces the administration costs and charges to shareholders of issuing replacement cheques
• The savings in cheque production and distribution costs reduce the impact of BAT's activities on the environment

Q. Is it a safe method of payment?
A. Direct credit (by BACS or CHAPS) is the most secure method of payment. Computershare will not use your account details for any other purpose or pass them on to any third party.

Q. What type of bank or building society account can I nominate?
A. If you receive your dividends in sterling, you should nominate a UK bank or building society account.

Q. My registered address is not in the UK or Ireland
A. If your registered address is not in the UK, but you have a UK bank account (as many of our non-UK shareholders do) then you can have cash dividends credited to it in sterling. Alternatively, you can elect to participate in the **BAT Dividend Reinvestment Plan** (DRIP) (terms and conditions apply). If you don't have access to a UK bank or building society account you can elect to join the **Global Payment Service** run by Computershare. In this instance, receive cash dividends direct to your bank account in your local currency (a small fee and terms and conditions apply). Register for Investor Centre at www.investorcentre.co.uk for more details of this service.

Q. But I don't have a computer…
A. You don't need to have a computer to have your dividends paid by direct credit. It is simply a direct, secure and immediate way to pay your dividend into your bank account, rather than receiving a cheque in the post.

Q. How will I know how much I'm being paid?
A. If you provide us with your email address we can send you an electronic notification of the payment and tax voucher. If not, you'll receive a notification by post annually, unless you opt to receive a notification for each payment. You can do so by contacting Computershare at the details overleaf.

Q. I don't want to provide my account details. What happens if I don't provide them?
A. If you don't provide your account details, you will be sent the dividend information advising you of the amount of your dividend and that the amount that is being held because your direct credit instructions had not been received in time. Your dividends will not accrue interest while they are held. Payment will be credited to your account as soon as possible on receipt of your direct credit instructions. Please be aware that providing your account details does not give either Computershare or BAT access to your account beyond enabling Computershare to pay your dividends directly into it through the normal inter-bank facilities.

Q. I prefer to receive a cheque?
A. After the dividend payment scheduled for September 2017 it will be mandatory for your future dividend payments to be made by direct credit or through investment in BAT's Dividend Reinvestment Plan. The decision to pay dividends by direct credit, rather than by cheque, has been taken to increase the security of payment to shareholders and to reduce costs.

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Q. What gives British American Tobacco the authority to request my account details?
A. The decision to pay dividends by direct credit, rather than cheque, has been taken to increase the security of payment and to reduce costs. BAT's articles of association provide the legal authority for this decision. Providing your account details does not give either Computershare or BAT access to your account beyond enabling Computershare to pay your dividends directly into your account through the normal inter-bank facilities.

Q. Is it mandatory?
A. Yes. To be paid your dividends in cash, you are required to provide direct credit instructions. If you do not provide these details, you will be provided with a dividend information advice. This sets out the amount of your dividend payment and states that the dividend is being held in a separate account as your direct credit instructions had not been received in time. The dividend will not accrue interest while it is being held. Payment will be credited to your account as soon as possible on receipt of your instructions. Please note that you may also choose to receive your dividend in shares by participation in the BAT DRIP (terms and conditions apply).

Q. What is the Dividend Reinvestment Plan (DRIP)?
A. Shareholders participating in the DRIP receive additional shares purchased in the market instead of receiving a cash dividend. Statements and (if appropriate) share certificates are posted to each DRIP participant after the shares have been purchased confirming how many additional shares have been added to their holding. To view the terms and conditions of the DRIP please visit the downloadable forms section of the Computershare Investor Centre at www.computershare.com/uk/investor/bri or alternatively you can request a DRIP Mandate Form and terms and conditions by calling Computershare (see below for contact details).

Q. Can I participate in the DRIP?
A. Check your eligibility and view the terms and conditions of the DRIP by visiting the downloadable forms section of the Computershare Investor Centre at www.investorcentre.co.uk.

Q. How often can I change my choice of dividend payment?
A. You can change your instructions as often as you like although there is a deadline prior to each dividend after which changes will be too late for that particular dividend payment.

Q. Can I email or fax back the form you have sent me?
A. No. Computershare require sight of an original signature to help protect against fraud.

Q. What are the address details of the Registrars?
A. Please note that you should have received a reply-paid envelope with the form. You should use this to send your form to Computershare, or go online and make your choice at www.computershare.com/uk/investor/bri.

For any other questions or enquiries, the Registrars can be contacted at:
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