

Altria

Altria Client Services

Bruce A. Gates
Senior Vice President, External Affairs

September 23, 2014

Mr. Timothy Smith
Senior Vice President, Director of ESG
Shareholder Engagement
Walden Asset Management
One Beacon Street
Boston, MA 02108

Dear Mr. Smith:

Thank you for your recent letter to Mr. Barrington regarding the American Legislative Exchange Council (ALEC). We appreciate you reaching out to us on this topic.

Our approach to the issues you've raised starts with Altria's Mission and Values--which set direction for all our companies' activities. Among other things, we try to understand our stakeholders' perspectives, align our business practices where appropriate, and measure and communicate our progress. Since 2011, we have published an annual corporate responsibility report, available at www.altria.com. This report describes our responsibility approach, focus areas, programs and progress against our goals. We are proud that our results have been recognized by a number of outside organizations. For example, for the past several years, *Corporate Responsibility Magazine* has included Altria in its "100 Best Corporate Citizens List." The "100 Best Corporate Citizens List" evaluates the largest U.S. publicly-traded companies in the Russell 1000 on their performance in environmental management, climate change, employee relations, human rights, governance, finance and philanthropy.


We agree with your observation that a company should thoughtfully consider how a public policy organization serves the company's objectives before providing financial support. Thus, we regularly assess whether our participation in these organizations is consistent with Altria's Mission and Values. Of course, giving to an organization does not mean we agree with every position it takes. If an organization we support adopts a public policy position we disagree with, we may voice our objection and not participate in advocacy on that position. Our participation in an organization also is an opportunity to positively influence how it operates, and we actively pursue those opportunities.

As we disclose on our website, Altria Client Services has contributed to ALEC and one of our representatives serves on the ALEC Private Enterprise Advisory Council. We have done so because ALEC is a forum for sharing views on issues important to us – mainly, tax policies that are pro-business and fair to consumers. We regularly evaluate our support of ALEC and other public policy organizations to assess whether the organization effectively addresses our issues,

and on balance, serves the long-term interests of our companies and shareholders. The specific review you have suggested is consistent with our current processes, which we also regularly evaluate. In doing so, we will consider your perspective and determine whether there are opportunities to enhance our processes.

Again, thank you for your letter. If you have questions, please let me know.

With kind regards,

A handwritten signature in black ink, appearing to read "Bruce A. Gates". The signature is fluid and cursive, with the first name "Bruce" being the most prominent.

Bruce A. Gates
Senior Vice President, External Affairs

cc: Martin J. Barrington
Brandt Surgner