

PLEASE READ THIS NOTICE CAREFULLY

You May Be Eligible For Payment From A Class Action Settlement

If you were a member of Flue-Cured Tobacco Cooperative Stabilization Corporation (now known as United States Tobacco Cooperative Inc.) between 1946 and 2004, a class action settlement may affect your rights.

A federal bankruptcy court authorized this notice. This is not a solicitation from a lawyer. Your legal rights will be affected whether you act or do not act.

On July 7, 2021, U.S. Tobacco Cooperative Inc. (the “Cooperative”), U.S. Flue-Cured Tobacco Growers, Inc., Premier Manufacturing, Inc., Franchise Wholesale Co., L.L.C., Big South Distribution, LLC, and King Maker Marketing, Inc. (collectively, the “Debtors”) filed bankruptcy cases (the “Chapter 11 Cases”) under Chapter 11 the Bankruptcy Code, which are currently pending in the U.S. Bankruptcy Court for the Eastern District of North Carolina (the “Bankruptcy Court”) under lead case no. 5:21-bk-1511.

In connection with the Chapter 11 Cases, the Bankruptcy Court has preliminarily approved a settlement (the “Settlement”) and certified a settlement class (the “Lewis Certified Settlement Class”) defined as the plaintiff class that was certified by the North Carolina state court in the litigation captioned *Lewis et al. v. Flue-Cured Tobacco Cooperative Stabilization Corporation*, Case Nos. 05-CVS-188 and 05-CVS-1938 (the “Lewis Litigation”), but excluding those individuals and entities who opted-out of the class in the Lewis Litigation. The Lewis Litigation arose from the Cooperative’s retention of funds at various times in its history to create a reserve. The plaintiff class in the Lewis Litigation contended that these funds were improperly retained under North Carolina law and the Cooperative’s Articles of Organization and bylaws. The Cooperative contended that these funds were properly retained as reserves pursuant to North Carolina law and the Cooperative’s Articles of Organization and bylaws.

The Settlement is a global settlement of all of the claims brought by the Lewis Certified Settlement Class against the Cooperative in the Lewis Litigation. The Settlement is incorporated into a plan of reorganization filed by the Debtors in the Bankruptcy Cases on March 14, 2022 (the “Plan”).¹ If the Bankruptcy Court approves the Settlement on a final basis and confirms the Debtors’ Plan, the Plan will implement the Settlement and govern how claims against the Debtors will be paid, including claims of the Lewis Certified Settlement Class pursuant to the Settlement.

If you fall within the definition of the Lewis Certified Settlement Class as described in this Notice, and you previously received a shorter form of this Notice in the mail that was addressed to you, then you do not need to take any action at this time in order to participate in the Settlement. In order to obtain a recovery, you will need to submit a proof of claim against a qualified settlement fund (the “QSF”) to be established by class counsel for the Lewis Certified Settlement Class (“Class Counsel”), pursuant to certain procedures (the “QSF Claims and Distribution Procedures”). **Instructions for submitting a proof of claim, including the deadline for doing so, together with a proof of claim form, will be mailed to you separately, after the Settlement is approved on a final basis and the Plan is confirmed by the Bankruptcy Court.** You

¹ All terms of this Notice are subject to the terms of the Plan as may be confirmed by the Bankruptcy Court, as well as all documents approved by the Bankruptcy Court via any order confirming the Plan. To the extent of any inconsistency between, on the one hand, the terms of this Notice, and, on the other hand, the terms of the Plan as may be confirmed by the Bankruptcy Court and all documents approved by the Bankruptcy Court via any order confirming the Plan, the terms of the Plan and the terms of all documents approved by the Bankruptcy Court via any order confirming the Plan, shall govern.

may obtain a copy of the QSF Claims and Distribution Procedures, once they are available, from the Cooperative’s bankruptcy website <https://omniagentsolutions.com/ustobacco> (the “Case Website”), or by calling the following toll-free phone number established by the Cooperative (866) 989-3039 (the “Toll Free Phone Number”). **The deadline for submitting a proof of claim has not yet been set, and will not be set for several months.**

If you did not receive a shorter form of this Notice in the mail (or if you did and you wish to make any corrections to your name or address on that shorter form), or if you are not sure whether you received a shorter form of this Notice, and if you believe that you fall within the definition of the Lewis Certified Settlement Class as described in this Notice, you should promptly follow the directions in section 12 of this Notice to provide the Noticing Agent (as defined below) with your correct name and mailing address.

This Notice provides information about the Settlement and the Debtors’ Plan, including who falls within the Lewis Certified Settlement Class, how members of the Lewis Certified Settlement Class (“Settlement Class Members”) may participate in the Settlement, and how Settlement Class Members may object to the Settlement and/or the Plan. **IF YOU BELIEVE THAT YOU MAY BE A MEMBER OF THE LEWIS CERTIFIED SETTLEMENT CLASS, YOU SHOULD READ THIS NOTICE CAREFULLY, AS WELL AS THE INFORMATION ON THE CASE WEBSITE ([HTTPS://OMNIAGENTSOLUTIONS.COM/USTOBACCO](https://omniagentsolutions.com/ustobacco)). YOU MAY ALSO CALL THE TOLL-FREE PHONE NUMBER ((866) 989-3039) FOR ADDITIONAL INFORMATION.**

SUMMARY OF LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Do Nothing at this time	If you fall within the definition of the Lewis Certified Settlement Class, you previously received a shorter form of this Notice in the mail that was addressed to you, and if you wish to participate in the Settlement, then you do not need to take any action at this time in order to participate in the Settlement. In order to obtain a recovery, you will need to submit a proof of claim against the QSF pursuant to the QSF Claims and Distribution Procedures. Instructions for doing this will be mailed to you separately, after the Settlement is approved on a final basis and the Plan is confirmed by the Bankruptcy Court.
Object to the Settlement and/or the Plan	If you are a member of the Lewis Certified Settlement Class, and if you oppose the Settlement, you can object to any part of the Settlement, or to the Settlement as a whole. You may also object to the Debtors’ Plan. The deadline to object is June 3, 2022, at 5:00 p.m., prevailing Eastern Time (the “<u>Objection Deadline</u>”) . Instructions for objecting are provided in this Notice.
Opt-out of the Lewis Certified Settlement Class	If you wish to exclude yourself from the Lewis Certified Settlement Class, please see the instructions in section 13 of this Notice.
Go to the Fairness/Plan Confirmation Hearing	If you properly file an objection to the Settlement or the Plan, you have the right to appear and request to speak at the hearing scheduled by the Bankruptcy Court for consideration of final approval of the Settlement, and confirmation of the Plan (the “ <u>Fairness/Plan Confirmation Hearing</u> ”).

Fairness/Plan Confirmation Hearing. The Bankruptcy Court has scheduled the Fairness/Plan Confirmation Hearing for **June 22, 2022 at 10:00 a.m., prevailing Eastern Time**, at the U.S. Bankruptcy Court for the Eastern District of North Carolina, Century Station Federal Building, 300 Fayetteville St., Courtroom 208, Raleigh, NC 27601.

At the Fairness/Plan Confirmation Hearing, the Bankruptcy Court will consider granting final approval of the Settlement based on whether it is fair, reasonable, and adequate. The Bankruptcy Court will also consider requests by Class Counsel for attorneys' fees and expenses, and service payments for the class representatives. At the Fairness/Plan Confirmation Hearing, the Bankruptcy Court will also consider whether to confirm the Debtors' Plan. If any objections are filed to the Settlement or to confirmation of the Plan, the Bankruptcy Court will consider them at the Fairness/Plan Confirmation Hearing.

THE DATE AND TIME OF THE FAIRNESS/PLAN CONFIRMATION HEARING MAY BE SUBJECT TO CHANGE. UPDATES TO THE DATE AND TIME WILL BE POSTED ON THE CASE WEBSITE ([HTTPS://OMNIAGENTSOLUTIONS.COM/USTOBACCO](https://omniagentsolutions.com/ustobacco)). YOU MAY APPEAR AT THE FAIRNESS/PLAN CONFIRMATION HEARING, EITHER PERSONALLY OR THROUGH AN ATTORNEY, IF YOU WISH.

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BASIC INFORMATION

1. What is this Notice?

You may be a member of the Lewis Certified Settlement Class, and you may be entitled to a recovery in connection with the Settlement. This Notice constitutes notice to you of information including without limitation: (a) the certification of the Lewis Certified Settlement Class by the Bankruptcy Court, for settlement purposes only; (b) the preliminary approval of the Settlement; (c) the date of the Fairness/Plan Confirmation Hearing before the Bankruptcy Court; (d) the right of each member of the Lewis Certified Settlement Class to object to the Settlement and/or confirmation of the Plan; and (e) instructions for accessing the Plan, the Debtors' Disclosure Statement accompanying the Plan (the "Disclosure Statement"), and other documents in the Debtors' Bankruptcy Cases.

2. What is the Lewis Litigation about?

The Lewis Litigation arose from the Cooperative's retention of funds at various times in its history to create a reserve. The plaintiff class in the Lewis Litigation contended that these funds were improperly retained under North Carolina law and the Cooperative's Articles of Organization and bylaws. The Cooperative contended that these funds were properly retained as reserves pursuant to North Carolina law and the Cooperative's Articles of Organization and bylaws. These funds included: (i) the proceeds resulting from the sale of certain tobacco from the 1982-1984 crop years (the "1982-84 Proceeds"); and (ii) the proceeds resulting from the sale of certain tobacco from the 2002-2004 crop years, in conjunction with the Fair and Equitable Tobacco Reform Act ("FETRA") (the "FETRA Proceeds"). Also at issue in the Lewis Litigation were: (i) \$4-5 million from the \$5.00 membership fees paid by members; and (ii) the remaining unredeemed capital equity credits issued by the Cooperative to growers, redeemable at the Cooperative Board's discretion, with respect to the 1967-1973 crop years (the "1967-73 Capital Equity Credits").

In the Lewis Litigation, the plaintiff class asserted that the Cooperative should have distributed the entirety of the 1982-84 Proceeds and FETRA Proceeds instead of retaining and investing them for future use. On April 23, 2021, the state court entered an order (the "April 23rd Order") granting summary judgment in favor of the plaintiff class on certain counts. In summary, the state court held that: (a) the Cooperative had improperly removed roughly 700,000 members from its registration rolls, and therefore the \$5.00 associated with each membership number stock is owed as damages; (b) once the Cooperative opened the 1967-73 Capital Equity Credits for redemption in 2010, it could not close that redemption period, and thus the remaining \$21 million in certificates is owed as damages; (c) the Cooperative should have allocated the 1982-84 Proceeds and the FETRA Proceeds; and (d) by not distributing the 1982-84 Proceeds and the FETRA Proceeds (less an amount determined to be a reasonable reserve), the Cooperative converted those funds and committed an unfair and deceptive trade practice as to the FETRA Proceeds. On May 21, 2021, the Cooperative filed a notice of appeal of the April 23 Order to the Court of Appeals of North Carolina. That appeal remains pending, but has been stayed pursuant to the Settlement.

On July 7, 2021, the Debtors filed the Chapter 11 Cases, which automatically stayed the Lewis Litigation. In the Chapter 11 Cases, the plaintiff class filed proofs of claim against the Debtors. The Debtors, in

turn, filed an objection to these claims and filed a separate lawsuit in the Chapter 11 Cases against the plaintiff class to determine the parties' respective rights under the April 23rd Order. Until the settlement was reached and the Plan was filed, the plaintiff class had opposed the Debtors' proposed treatment of the claims asserted in the Lewis Litigation as set forth in the Debtors' previously filed chapter 11 plans of reorganization.

3. Why was the Lewis Litigation a class action?

A class action lawsuit allows many people with a common complaint in a matter to sue collectively while being represented by a few, court-approved, members of the group called "class representatives." In this case, a group of flue-cured tobacco farmers commenced the Lewis Litigation by bringing lawsuits in January and February of 2005, on behalf of themselves and any other flue-cured tobacco farmers with similar claims.

4. Why is there a Settlement?

On February 2, 2022, following an intensive two-day mediation session, the parties reached the Settlement, which is a comprehensive global settlement of all of the claims brought by the Lewis Certified Settlement Class against the Cooperative in the Lewis Litigation. The Settlement is incorporated into the Plan. If the Bankruptcy Court approves the Settlement on a final basis and confirms the Debtors' Plan, the Plan will implement the Settlement and govern how claims against the Debtors will be paid, including claims of the Lewis Certified Settlement Class pursuant to the Settlement.

By agreeing to the Settlement, the parties avoid the costs and uncertainty of continued litigation, and contested proceedings in the Chapter 11 Cases, resolve all issues in the Lewis Litigation, and allow the Settlement Class Members to potentially receive the benefits described in this Notice. The class representatives and Class Counsel believe that the Settlement is in the best interests of the Settlement Class Members.

5. Why is the Settlement part of the Debtors' Plan?

By commencing the Chapter 11 Cases, the Debtors became subject to the jurisdiction of the Bankruptcy Court and the provisions of the Bankruptcy Code. The Settlement is subject to approval by the Bankruptcy Court. In approving the Settlement as incorporated into the Plan, the Bankruptcy Court would be approving all aspects of the Debtors' reorganization, allowing the Debtors to emerge from bankruptcy, implement the Settlement, and continue to serve the Cooperative's members in future years.

THE PROPOSED SETTLEMENT

6. Who is included in the Lewis Certified Settlement Class

The Lewis Certified Settlement Class consists of the following:

All individuals, proprietorships, partnerships, corporations, or their heirs, representatives, executors or assigns, and other proper entities that have been members/shareholders of the Flue-Cured Tobacco Cooperative Stabilization Corporation (n/k/a United States Tobacco Cooperative Inc.) (hereafter "Stabilization") at any time from its inception through the end of crop year 2004, and any heirs, representatives, executors, successors or assigns, and; (a) had not requested cancellation of their membership and whose membership was cancelled by Stabilization without a hearing, and/or (b) were

issued a certificate of interest in capital reserve by Stabilization for any of the tobacco crop years between and including 1967-1973, and/or (c) delivered, consigned for sale, or sold flue-cured tobacco and paid an assessment for deposit into the No Net Cost Tobacco Fund or No Net Cost Tobacco Account during any tobacco crop years between and including 1982-2004. Provided however, those individuals and entities who opted-out of the class in the Lewis Litigation are not part of the Lewis Certified Settlement Class.

The North Carolina state court appointed the following class representatives to represent the interests of the plaintiff class members: Dan Lewis and Daniel H. Lewis Farms, Inc., George Abbott, Robert C. Boyette and Boyette Farms, Inc., Kyle A. Cox, C. Monroe Enzor, Jr., Executor to the Estate of Crawford Monroe Enzor, Jr., Archie Hill, Kendall Hill, Whitney E. King, Cray Milligan, Richard Renegar, Linwood Scott, Jr. and Scott Farms, Inc., Orville Wiggins, Alford James Worley, Executor of Estate of Dennis Anderson, Chandler Worley, and Harold Wright. These same individuals and entities are the class representatives of the Lewis Certified Settlement Class in the Chapter 11 Cases.

The North Carolina state court also appointed the attorneys listed in the answer to Question 15 below as class counsel to represent the plaintiff class in the Lewis Litigation. These same counsel are the Class Counsel of the Lewis Certified Settlement Class in the Chapter 11 Cases.

7. How do I determine whether I can obtain a recovery as part of the Settlement?

If the Bankruptcy Court approves the Settlement on a final basis and confirms the Debtors' Plan, the Cooperative will pay the settlement funds (detailed below) and other settlement consideration into the QSF, the assets of which would then be allocated amongst, and distributed to, the Settlement Class Members pursuant to the QSF Claims and Distribution Procedures. Class Counsel will establish the QSF and act as trustee of the QSF (the "QSF Trustee").

If you fall within the definition of the Lewis Certified Settlement Class as described in this Notice, and you previously received a shorter form of this Notice in the mail that was addressed to you, then you do not need to take any action at this time in order to participate in the Settlement.

In order to obtain a recovery, you will need to submit a proof of claim to the QSF pursuant to the QSF Claims and Distribution Procedures. **Instructions for submitting a proof of claim, including the deadline for doing so, together with a proof of claim form, will be mailed to you separately, after the Settlement is approved on a final basis and the Plan is confirmed by the Bankruptcy Court.** You may obtain a copy of the QSF Claims and Distribution Procedures, once they are available, from the Case Website (<https://omniagentsolutions.com/ustobacco>), or by calling the Toll-Free Phone Number. **The deadline for submitting a proof of claim has not yet been set.**

Please review the eligibility guidelines under the QSF Claims and Distribution Procedures in Question 8 below to determine what interest, if any, you may have in the Settlement.

THE SETTLEMENT BENEFITS

8. What payments does the Settlement provide?

The Settlement distributions to be made by the Debtors under the Plan consist of a combination of cash, and capital equity credits in the Cooperative (the "Senior Capital Equity Credits"). The Lewis Certified Settlement Class presently estimates that the aggregate gross amount of cash available under the Plan on account of the Settlement will be approximately \$114,685,000.00. The Senior Capital Equity Credits

available under the Plan on account of the Settlement will be in the aggregate amount of \$191 million, subject to adjustment as set forth in the Plan. A portion of the cash distributions will be payable soon after Plan approval by the Bankruptcy Court, and the remainder will be payable in annual payments over the next 12 years based, in part, on the future income of the Debtors. A portion of the settlement funds will be used to pay Class Counsel's fees and costs, service payments to the class representatives (\$25,000 to each class representative), and administrative costs of the QSF. Additional information regarding these payments will be set forth in one or more pleadings filed on or before May 20, 2022 and posted on the Case Website. The remainder of the settlement funds, and the Senior Capital Equity Credits, if applicable, will be distributed to holders of valid claims according to the QSF Claims and Distribution Procedures. **For more detailed information on the Settlement consideration, Class Counsel's fees, and the QSF Claims and Distribution Procedures, please review the Debtors' Plan and Disclosure Statement, available on the Case Website (<https://omniagentsolutions.com/ustobacco>), or by calling the Toll-Free Phone Number.**

The amount of the distributions available for valid claims of Settlement Class Members has not yet been determined. Only holders of claims that become "Allowed Settlement Claims" pursuant to the QSF Claims and Distribution Procedures may recover from the QSF. Class Counsel will either serve as the QSF Trustee or direct the appointment of the QSF Trustee. The QSF Trustee will administer the claims allowance process under the QSF Claims and Distribution Procedures. Class Counsel has informed the Debtors that an Allowed Settlement Claim will be one of the following claims, to the extent determined to be valid pursuant to the QSF Claims and Distribution Procedures:²

- (a) A claim based on the cancellation of membership stock in the Cooperative of the holder of such claim without the consent of such holder and without a hearing.
 - An Allowed Settlement Claim for cancellation of membership stock will be in the amount of \$5 for each cancelled share of stock.
- (b) A claim based on any unredeemed capital equity credits (as reflected on certificates of interest issued by the Cooperative) belonging to the holder of such claim for capital equity credits issued by the Cooperative for any of the 1967-1973 crop years.
 - An Allowed Settlement Claim for unredeemed 1967-1973 capital equity credits will be in the amount of the face value of such capital equity credits.
 - An Allowed Settlement Claim may not be based on any 1967-1973 capital equity credits that have already been redeemed.
- (c) A claim based on any patronage interests belonging to the holder of such claim attributable to "no net cost flue-cured tobacco assessments" paid, per F.C. Number, on flue-cured tobacco delivered to the Cooperative and sold at auction, or consigned for sale in exchange for price support, or delivered and sold at a leaf dealer or manufacturer receiving station, by the holder of such claim in crop years 1982-2004, including without limitation any rights with respect to Additional Paid-In Capital and/or Contributed Capital (as those terms are defined in the Plan).

² All terms of this Notice, including the descriptions of Allowed Settlement Claims, are subject to the terms of the Plan as may be confirmed by the Bankruptcy Court, as well as all documents approved by the Bankruptcy Court via any order confirming the Plan. To the extent of any inconsistency between, on the one hand, the terms of this Notice, and, on the other hand, the terms of the Plan as may be confirmed by the Bankruptcy Court and all documents approved by the Bankruptcy Court via any order confirming the Plan, the terms of the Plan and the terms of all documents approved by the Bankruptcy Court via any order confirming the Plan, shall govern.

- The amount of a claim holder's Allowed Settlement Claim in this category will be determined based on the ratio of the "no net cost assessments" paid by that claim holder in crop years 1982 through 2004, to the total of all "no net cost assessments" paid by all holders of Allowed Settlement Claims in crop years 1982 through 2004.
- In other words, the amount of a claim holder's Allowed Settlement Claim in this category will be determined based on that claim holder's individual percentage of all of the "no net cost assessments" paid by all holders of Allowed Settlement Claims for crop years 1982 through 2004.
- For example, if a particular Allowed Settlement Claim holder paid 1% of the total of all "no net cost assessments" paid by all holders of Allowed Settlement Claims in crop years 1982 through 2004, that particular Allowed Settlement Claim holder would be entitled to an Allowed Settlement Claim in the amount of 1% of the total Settlement consideration available to holders of Allowed Settlement Claims in this category.
- The Senior Capital Equity Credits shall be distributed only to holders of Allowed Settlement Claims in this category, and shall be distributed as provided in the QSF Claims and Distribution Procedures.

The amount(s) that will be distributed to holders of Allowed Settlement Claims cannot be determined with specificity at this time, because there are a number of variables that bear upon the amount of the distributions that are not known at this time. These variables include the total amount of claims that will be asserted against the QSF, the total amount of such asserted claims that become Allowed Settlement Claims, the amount that the QSF receives from the Reorganized Debtors, and the amount of Class Counsel's fees approved by the Bankruptcy Court.

Any claim that does not fall into one of the three categories described above (a, b, and c) will not be an Allowed Settlement Claim against the QSF, and will not be entitled to any recovery from the QSF. All other claims, interests, and rights of any kind held by members of the Lewis Certified Settlement Class in connection with their membership and patronage in the Cooperative from 1946 through 2004 will receive no recovery under either the Plan or the QSF, and will be forever barred and discharged. In addition, all claims (regardless of whether they fall into these three categories) against the Debtors are subject to the discharge and injunction provisions in the Plan and, following confirmation of the Plan, will be forever barred, discharged, and enjoined as against the Debtors, except as may be otherwise provided in the Plan.

If any of those individuals and entities who opted-out of the certified class in the Lewis Litigation, or who opt-out of the Lewis Certified Settlement Class, assert claims against the QSF, such claims will be subject to objection by the QSF Trustee, and potential denial. Objections by the QSF Trustee may be based on all applicable defenses under all applicable law, including without limitation North Carolina state law, and including without limitation defenses based on the running of applicable statutes of limitation.

9. How can I determine what my payment will be and when I will receive payment?

The amount of the payment(s) that you may receive, if any, from the QSF cannot be determined until, among other things, the Bankruptcy Court approves the Settlement on a final basis, confirms the Plan, and approves the QSF Claims and Distribution Procedures, the distributions to the QSF under the Plan have been made, and the claims allowance process under the QSF Claims and Distribution Procedures

has been completed. The QSF Trustee may make one or more rounds of interim distributions from the QSF. See Question 8 for the method that will be used to determine the amount of any Allowed Settlement Claim.

HOW TO RECEIVE A PAYMENT

10. What do I have to do to receive payment?

If you fall within the definition of the Lewis Certified Settlement Class as described in this Notice, and you previously received a shorter form of this Notice in the mail that was addressed to you, then you do not need to take any action at this time.

In order to obtain a recovery, you will need to submit a proof of claim to the QSF pursuant to the QSF Claims and Distribution Procedures. Instructions for submitting a proof of claim, together with a proof of claim form, will be mailed to you separately, after the Settlement is approved on a final basis and the Plan is confirmed by the Bankruptcy Court. You may obtain a copy of the QSF Claims and Distribution Procedures, once they are available, from the Case Website or by calling the Toll-Free Phone Number. The deadline for submitting a proof of claim has not yet been set.

11. Can I choose the method by which I will receive payments (check, Paypal, etc.)?

The method(s) by which the QSF Trustee will make payments from the QSF have not yet been established. The payment method(s) will be determined by the QSF Trustee in his sole discretion.

12. Can I update my contact information, so you send my payment to the right place?

The Debtors have retained Omni Agent Solutions (the “Noticing Agent”) as their noticing agent in the Chapter 11 Cases. Among other things, the Noticing Agent is responsible for mailing notices to Settlement Class Members. If you previously received a shorter form of this Notice in the mail, and that Notice was addressed to you at your correct address, the Noticing Agent has your correct address information. If you wish to update your contact information, you may do so on the Case Website (<https://omniagentsolutions.com/ustobacco>) or by calling the Toll-Free Phone Number. You may also write to the Noticing Agent to update your contact information at:

U.S. Tobacco Cooperative Inc., et al.
c/o Omni Agent Solutions
5955 De Soto Ave., Suite 100
Woodland Hills, CA 91367

If you did not receive a shorter form of this Notice in the mail (or if you did and you wish to make any corrections to your name or address on that shorter form), or if you are not sure whether you received a shorter form of this Notice, and if you believe that you fall within the definition of the Lewis Certified Settlement Class as described in this Notice, you should immediately contact the Noticing Agent to provide your correct name and mailing address. You may contact the Noticing Agent on the Case Website (<https://omniagentsolutions.com/ustobacco>) or by calling the Toll-Free Phone Number. You may also write to the Noticing Agent to update your contact information at the address above.

EXCLUDING YOURSELF FROM THE SETTLEMENT

13. What do I do if I do not want to participate in the Settlement?

If you fall within the definition of the Lewis Certified Settlement Class, and you do not wish to be a Settlement Class Member, you may exclude yourself (i.e., “opt-out”) from the Lewis Certified Settlement Class by mailing written notice of your wish to opt-out to the Noticing Agent at the address provided above in section 12. Any such notice must be received by the Noticing Agent prior to June 3, 2022, at 5:00 p.m., prevailing Eastern Time. However, if you opt-out, any claims that you may possess against the Debtors will still be subject to the Plan and the QSF Claims and Distribution Procedures, and, to the extent that your claim becomes allowed pursuant to the QSF Claims and Distribution Procedures, it will be treated in the same manner as other Class 5 Claims under the Plan.

To be clear, even if you decide to opt-out from the Lewis Certified Settlement Class, your claim will still be treated as a Class 5 claim under the Plan, and you will NOT be able to assert your claim against the Cooperative in any other Court at any other time or in any other manner. In other words, whether you choose to opt-out or not, your participation as a Class 5 creditor under the Plan and the QSF Claims and Distribution Procedures will be your only opportunity to receive a distribution on account of any claim you may hold against the Cooperative or any of the other Debtors.

If you opt-out from the Lewis Certified Settlement Class and assert a claim against the QSF, such claim will be subject to objection by the QSF Trustee, and potential denial. Objections by the QSF Trustee may be based on all applicable defenses under all applicable law, including without limitation North Carolina state law, and including without limitation defenses based on the running of applicable statutes of limitation.

Regardless of whether you opt-out, if you do not wish to file a claim against the QSF pursuant to the QSF Claims and Distribution Procedures, you are not required to do so. However, you will not have any other opportunity to receive any recovery in connection with the Settlement and/or the Chapter 11 Cases. **Once the Settlement is approved on a final basis and the Plan is confirmed, you will be legally foreclosed from pursuing any claims that you may have against the Debtors and/or the QSF, other than through the QSF Claims and Distribution Procedures.**

14. Can I sue the Cooperative for the same claims later?

No. The Settlement is a final resolution of all claims made in the Lewis Litigation, and all such claims will be permanently discharged and enjoined by the Plan, once the Settlement is approved on a final basis and the Plan is confirmed by the Bankruptcy Court.

As explained above, your participation as a Class 5 creditor under the Plan and the QSF Claims and Distribution Procedures will be your **only** opportunity to receive a distribution on account of any claim you may hold against the Cooperative or any of the other Debtors.

THE LAWYERS REPRESENTING YOU

15. Was I represented by a lawyer in this case?

If you are a member of the Lewis Certified Settlement Class, you are represented by the attorneys listed below (i.e., Class Counsel). These attorneys were approved by the Bankruptcy Court to represent your

interests. They are the same attorneys who have been representing the plaintiff class in the Lewis Litigation for the past 17 years.

<p>C. Alan Runyan, Esq. Andrew S. Platte, Esq. RUNYAN & PLATTE, LLC 2015 Boundary Street, Suite 239 Beaufort, South Carolina 29902 Telephone: (833)-348-3805 arunyan@runyanplatte.com aplatte@runyanplatte.com</p>	<p>William Robert Cherry, Jr., Esq. John L. Coble, Esq. MARSHALL, WILLIAMS & GORHAM 430 Eastwood Rd. Suite 200 Wilmington NC 28403-1851 wrc@mwglaw.com jcoble@mwglaw.com</p>
<p>Philip R. Isley, Esq. BLANCHARD, MILLER, LEWIS & ISLEY, PA 1117 Hillsborough Street Raleigh, NC 27603 Telephone: (919) 755-3993 pisley@bmlilaw.com</p>	<p>Dennis T. Worley, Esq. Paul J. Ekster, Esq. Wright, Worley, Pope, Ekster & Moss, PLLC 200 South Lewis Street P.O. BOX 457 Tabor City, NC 28463 910-653-2082 dennisworley@wwpemplaw.com</p>
<p>James L. Ward, Jr., Esq. MCGOWEN, HOOD & FELDER, LLC 321 Wingo Way, Suite 103 Mt. Pleasant, SC 29464 Telephone: (843) 388-7202 jward@mcgowanhood.com</p>	<p>Charles H. Williams, Esq. WILLIAMS & WILLIAMS 1281 Russell Street Orangeburg, SC 29115 Telephone: (803) 534-5218 chwilliams@williamsattys.com</p>

16. How will the lawyers receive payment for their services?

Class Counsel will ask the Bankruptcy Court to approve payment of a contingency fee of 33.33% of the aggregate cash distributed by the Debtors to the QSF pursuant to the Plan. Class Counsel presently estimate that the aggregate gross amount of cash available under the Plan on account of the Settlement will be approximately \$114,685,000.00, plus the Senior Capital Equity Credits.³ Class Counsel also will seek recovery of the substantial costs that they have advanced over the last 17 years in the Lewis Litigation and the Chapter 11 Cases. To date, Class Counsel has incurred approximately \$1,032,000 in costs.

The distributions made from the QSF to Settlement Class Members will be net of Class Counsel’s approved fees and costs.

OBJECTING TO THE SETTLEMENT AND PLAN

17. How do I inform the Court if I object to the Settlement and/or the Plan?

³ This figure may not represent the aggregate total of all cash distributions to be made to the QSF pursuant to the Plan. The cash distributions include sums that are not known at this time, and annual payments over a period of twelve years. Accordingly, the aggregate total of the cash distribution cannot be calculated at this time.

If you wish to object to the Settlement, or any aspect thereof, (including without limitation to Class Counsel’s fees or expenses), or if you wish to object to the Debtors’ Plan, or any aspect thereof, you may file an objection with the Clerk of the Bankruptcy Court. Any objection must be filed pursuant to the instructions below.

Any such objections must: (a) be in writing; (b) conform to the Bankruptcy Rules and any orders of the Bankruptcy Court; (c) state the name and address of the objecting party and the amount and nature of the Claim or Interest of such party; (d) state with particularity the basis and nature of any objection to the Settlement and/or the Plan and, if practicable, a proposed modification to the Settlement and/or the Plan that would resolve such objection; (e) be mailed, with a proof of service on the Notice Parties, to the Clerk of the Bankruptcy Court at the address below so as to be **actually received** by the Clerk on or prior to the Objection Deadline (as defined below); and (f) be served on the Notice Parties (as defined below) so as to be **actually received** on or prior to the Objection Deadline.⁴

The Objection Deadline is June 3, 2022, at 5:00 p.m., prevailing Eastern Time. Objections must be actually received by the Clerk of the Bankruptcy Court and the Notice Parties by the Objection Deadline.

The mailing address of the Clerk of the Bankruptcy Court is:

Clerk of the U.S. Bankruptcy Court for the Eastern District of North Carolina
P.O. Box 791
Raleigh, NC 27602

The Notice Parties are the following:

<p>COZEN O’CONNOR 1201 North Market Street, Suite 1001 Wilmington, Delaware 19801 Attention: Mark E. Felger and Simon E. Fraser Email address: mfelger@cozen.com and sfraser@cozen.com <i>Co-Counsel for the Debtors</i></p>	<p>HENDREN, REDWINE & MALONE, PLLC 4600 Marriot Drive, Suite 150 Raleigh, NC 27612 Attention: Rebecca F. Redwine Email address: redwine@hendrenmalone.com <i>Co-Counsel for the Debtors</i></p>
<p>WALDREP WALL BABCOCK & BAILEY PLLC 3725 National Drive, Suite 115 Raleigh, NC 27612 Attention: Kevin L. Sink <i>Co- Counsel for the Lewis Certified Settlement Class</i></p>	<p>RUNYAN & PLATTE 2015 Boundary Street, Suite 239 Beaufort, SC 29902 Attention: C. Alan Runyan <i>Class Counsel for the Lewis Certified Settlement Class</i></p>
<p>THE OFFICE OF THE BANKRUPTCY ADMINISTRATOR FOR THE EASTERN DISTRICT OF NORTH CAROLINA 434 Fayetteville Street, Suite 640 Raleigh, NC 27601</p>	

⁴ Any objections filed by attorneys must comply with the Bankruptcy Court’s electronic filing requirements.

Attention: Brian Behr, Esq.	
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FAIRNESS HEARING

18. When and where will the Court decide whether to approve the Settlement on a final basis and confirm the Plan?

The Bankruptcy Court has scheduled the Fairness/Plan Confirmation Hearing for June 22, 2022 at 10:00 a.m., prevailing Eastern Time, at the U.S. Bankruptcy Court for the Eastern District of North Carolina, Century Station Federal Building, 300 Fayetteville St., Courtroom 208, Raleigh, NC 27601.

At the Fairness/Plan Confirmation Hearing, the Court will consider granting final approval of the Settlement based on whether it is fair, reasonable, and adequate. The Court will also consider requests by Class Counsel for attorneys' fees and expenses, and service payments for the class representatives. At the Fairness/Plan Confirmation Hearing, the Court will also consider approval of the Debtors' Plan. If there are objections to the Settlement or to confirmation of the Plan, the Bankruptcy Court will consider them at the Fairness/Plan Confirmation Hearing.

The date and time of the Fairness/Plan Confirmation Hearing may be subject to change. Updates to the date and time will be posted on the Case Website (<https://omniagentsolutions.com/ustobacco>). You may appear at the Fairness/Plan Confirmation Hearing, either personally or through an attorney, if you so desire.

19. Do I have to attend the Fairness/Plan Confirmation Hearing?

No, you do not have to attend the Fairness/Plan Confirmation Hearing. However, if you file an objection pursuant to these instructions, you should attend the hearing if you would like the Bankruptcy court to consider your objection.

20. How do I ask to speak at the Fairness/Plan Confirmation Hearing?

You must file an objection pursuant to the instructions in this Notice, in which case you may appear at the Fairness/Plan Confirmation Hearing and speak about your objection.

ADDITIONAL INFORMATION ABOUT THE PLAN AND SETTLEMENT

21. How and where can I get more information?

You may obtain more information about the Settlement, as well as copy of the Plan and Disclosure Statement, for free on the Case Website (<https://omniagentsolutions.com/ustobacco>). Alternatively, you may call the Toll-Free Phone Number ((866) 989-3039) and request that copies of those documents be mailed to you at no charge. The Case Website and Toll-Free Phone Number also provide additional information about the Debtors' Chapter 11 Cases, and the bankruptcy process.