

Ulster Tobacco Asset Securitization Corporation

Code of Ethics

Persons Subject to this Code

This Code of Ethics applies to all members of the Corporation's board and to all officers and employees of the Corporation.

General Rule with Respect to Conflicts of Interest

No person subject to this Code should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, that is in substantial conflict with the proper discharge of his or her duties in the public interest.

Standards

No person subject to this Code should accept other employment that will impair his or her independence of judgment in the exercise of official duties.

No person subject to this Code should accept employment or engage in any business or professional activity that will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or Corporation.

No person subject to this Code should disclose confidential information acquired by him or her in the course of his or her official duties or use such information to further his or her personal interests.

No person subject to this Code should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself, or others.

No person subject to this Code should engage in any transaction as representative or agent of the Corporation with any business activity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.

A person subject to this Code should not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her, unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position of influence of any party or person.

A person subject to this Code should abstain from making personal investments in enterprises that he or she has reason to believe may be directly involved in decisions to be made by him or her or that will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.

A person subject to this Code should endeavor to pursue a course of conduct that will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

If any person subject to this Code has a financial interest, direct or indirect, in a transaction between the Corporation and any other person or entity, or if the Corporation is considering entering into any such transaction, he or she must:

disclose such interest by filing with the Corporation a written statement that he or she has a financial interest in such transaction, which statement will be open to public inspection; and

abstain from voting as a director on any matter relating to such transaction that is before the Board of Directors.

No person subject to this Code may accept or arrange for any loan or extension of credit from the Corporation or any affiliate of the Corporation.

Reporting and Investigation of Violations; Sanctions

Any person subject to this Code who has credible information that a violation of this Code has occurred, is occurring or is imminent must promptly bring such information to the attention of the Governance Committee of the Board.

Unless otherwise directed by the Audit Committee or the full board, the Governance Committee will have the responsibility for investigating and responding to violations reported under this section. The Governance Committee will also ensure that the full Board (other than the member

who is the subject of a report) is promptly informed of all violations reported under this section that are considered credible and meritorious.

If the Board determines that a violation of the Code has occurred, the Board will determine the appropriate actions to be taken after considering all relevant facts and circumstances. Such actions may include removal of a Board member or termination of the employment of an officer or employee and will be reasonably designed to:

deter future violations of the Code or other wrongdoing; and

promote accountability for adherence to the policies of this Code and other applicable policies.

In determining the appropriate sanction in a particular case, the Board may consider the following matters:

the nature and severity of the violation;

whether the violation was a single occurrence or repeated occurrences;

whether the violation appears to have been intentional or inadvertent;

whether the individual involved had been advised prior to the violation as to the proper course of action; and

whether or not the individual in question had committed other violations in the past.

Persons subject to this Code are reminded that violations of this Code may also constitute violations of law that may result in civil or criminal penalties for the individual involved.