

# Exhibit 14

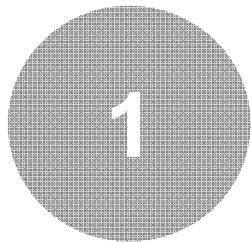


***RAI Innovations:  
Alternate Nicotine Platforms  
Strategic Implications***

January 2017

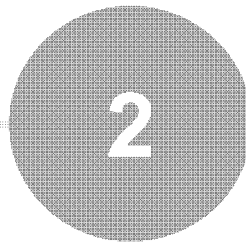
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## There are 3 key issues for RAIL to explore



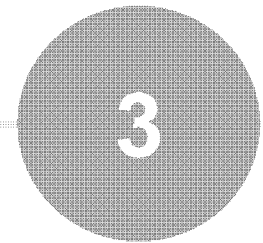
### Is HNB worth pursuing?

- Is the market attractive?
- Is the organization aligned with exploring a new HNB platform / technology?
- Is RAI able to effectively compete with HNB?



### If so, what is the optimal organization / structure to house HNB?

- Where should decision making for HNB and ANPs reside?
- What capabilities are required to succeed?



### How can RAIL optimize its communication strategy for ANPs?

- How can RAIL get the same recognition for ANPs as PMI?
- What type of stakeholder engagement is required?

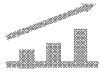
1 HNB appears to have potential and should be explored further



**Consumers appear receptive:** HNB offers unique advantages relative to vapor and may appeal to a large ATC segment dissatisfied with current cigarette alternatives



**Competitors are investing heavily:** PMI invested ~\$2B to date, has built substantial capacity, and is submitting a MRTPA in 2016 Q4



**Analysts have rallied behind HNB:** some analysts expect the market to displace ~30% of U.S. cigarette volume by 2025



**RAI does not have a next gen HNB product:** it would take significant time and investment to commercialize a new product and 'catch up' to competitors

*Should the HNB market emerge in the U.S., RAI would be 'exposed' given its under-investment relative to competitors*

Source: Wells Fargo, PMI annual report, PMI website, PMI Investor Day presentation, L.E.K. analysis

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