

**\*[INDICATES PAGINATION IN ORIGINAL DOCUMENT]**

**AMENDMENT NO. 7 TO MASTER SETTLEMENT AGREEMENT**

Lane Limited (“Lane”) hereby signs and executes the Master Settlement Agreement (“MSA”).

In addition, notwithstanding sections II(jj) and II(uu) of the MSA, Lane shall have the rights specified in paragraph (4) below, and the companies specified in Exhibit A to this Amendment (collectively the “Foreign Manufacturer/Exporter”) shall not be considered to be a Tobacco Product Manufacturer (and the Foreign Manufacturer/Exporter shall, for the purposes of the Model Statute set forth in Exhibit T to the MSA only, be considered to be a Participating Manufacturer), provided that:

(1) Lane signs the MSA within 90 days after the MSA Execution Date and is bound by such Agreement in all Settling States in which such Agreement binds Original Participating Manufacturers;

(2) On or before March 31, 1999, Lane enters into an agreement (an “Exclusive Distribution Agreement”) with the Foreign Manufacturer/Exporter, such Exclusive Distribution Agreement remains in full force and effect, and all the parties to the Exclusive Distribution Agreement fully perform their obligations thereunder. The Exclusive Distribution Agreement must contain the following terms:

(A) The Foreign Manufacturer/Exporter appoints Lane as its exclusive importer and distributor (other than as set forth in paragraph (D) below) for sale in the territory of any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa and the Northern Marianas (the “Territory”) of any and all Cigarettes which are and

will be manufactured by the Foreign Manufacturer/Exporter or any licensee or Affiliate of the Foreign Manufacturer/Exporter under trademarks owned by the  
[end of page 1]\*

[page 1]\*

[begin page 2]\* Foreign Manufacturer/Exporter (or as to which trademarks the Foreign Manufacturer/Exporter has a manufacturing or license agreement with the trademark owner) and exported for intended sale in the Territory, subject to the terms and conditions appearing in the Exclusive Distribution Agreement (insofar as such terms and conditions are not inconsistent with paragraphs (A) through (F)). The term “Affiliate” as used herein shall mean a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person. Solely for the purpose of this definition, the terms “owns,” “is owned” and “ownership” means ownership of an equity interest, or the equivalent thereof, of 50 percent or more, and the term “person” means an individual, partnership, committee, association, corporation or any other organization of group of persons.

(B) Other than as specified in paragraph (D) below, the Foreign Manufacturer/Exporter shall not appoint any person other than Lane as an additional importer and distributor for sale of the Cigarettes within the Territory, nor shall the Foreign Manufacturer/Exporter sell or distribute the Cigarettes in the Territory except through Lane or market or advertise the Cigarettes in the Territory.

(C) The Foreign Manufacturer/Exporter shall supply the Cigarettes, which shall comply with the requirements or applicable regulations effective in the Territory. Lane shall obtain all the governmental certification, license, permit or approval necessary to import and distribute the Cigarettes in the Territory and shall sell the Cigarettes in the Territory in strict compliance with any and all laws, regulations and other requirements of federal, state, and local governments and their agencies. Lane shall be responsible for the payments under the MSA with [end page 2]\*

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[begin page 3]\* respect to the Cigarettes, shall pay the taxes specified in subsection II(z) of the MSA on the Cigarettes, and shall report the Cigarettes as its shipments in the manner prescribed in subsection II(mm) of the MSA.

(D) The Foreign Manufacturer/Exporter may sell brands of Cigarettes in the Territory through an importer other than Lane if such importer is an Original Participating Manufacturer that will be responsible for the payments under the MSA with respect to such Cigarettes as a result of the provisions of subsections II(mm) of the MSA and that pays the taxes specified in subsection II(z) on such Cigarettes, and provided that the Foreign Manufacturer/Exporter does not market or advertise such Cigarettes in the States.

(E) The Exclusive Distribution Agreement between the Foreign Manufacturer/Exporter and Lane shall be effective on the date of execution of that agreement (which shall be on or before March 31, 1999) and shall not be terminated by either party to that agreement unless the Foreign

Manufacturer/Exporter has appointed another signatory to the MSA as importer for the Territory as long as the MSA remains in effect.

(F) The Settling States and the Original Participating Manufacturers are third-party beneficiaries of the Exclusive Distribution Agreement.

(3) Lane does not, after the date Lane becomes a signatory to the MSA, import, sell or distribute Cigarettes manufactured (or purchased for resale in the States) by a Non-Participating Manufacturer;

(4) For purposes of sections IX(i) and IX(d)(1)(B) of the MSA, Lane's 1997 and 1998 Market Share: (A) shall not include Cigarettes manufactured (or purchased for resale in the States) by any Non-Participating Manufacturer; and (B) shall include the Market Share for 1997 and 1998, whichever is in question, of the Foreign [end of page 3]\*

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[begin page 4]\* Manufacturer/Exporter, if any, with respect to brands of Cigarettes as to which Lane has exclusive import and distribution rights in the States with respect to the entire calendar year immediately preceding the year in which the calculation in question is being made (but only so long as the conditions specified in paragraphs (1)-(3) above for the Foreign Manufacturer/Exporter are met);

(5) Notwithstanding paragraph (4), if the Foreign Manufacturer/Exporter becomes an Affiliate of an Original Participating Manufacturer, Lane does not import the Cigarettes of such Foreign Manufacturer/Exporter unless Lane assumes the payment obligations under the MSA of an Original Participating Manufacturer with respect to all Cigarettes manufactured by (or under trademarks owned by or licensed to) the Foreign

Manufacturer/Exporter and imported by Lane; and

(6) Notwithstanding paragraph (4), if Lane becomes an Affiliate of an Original Participating Manufacturer, Lane assumes the payment obligations under the MSA of an Original Participating Manufacturer with respect to all Cigarettes shipped by Lane in or to the Territory.

All capitalized terms not otherwise defined shall have the meaning given such terms in the MSA.

Dated: February 11, 1999  
New York, N.Y.

LANE LIMITED

By: /s/ Robert S. Pless  
Assistant Secretary and General Counsel

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**EXHIBIT A**

Foreign Manufacturer:

1. Koninklijke Theodorus  
Niemeyer B. V.  
43 Paterswoldseweg  
P. O. Box 41  
9700 AA Groningen  
The Netherlands

Foreign Exporter:

Rothmans International Tobacco Products  
(Export) B. V.  
De Boelelaan 32  
1083 HJ Amsterdam  
The Netherlands

[end Ex. A]\*