

NASSAU COUNTY TOBACCO SETTLEMENT CORPORATION

INVESTMENT GUIDELINES

March 8, 2013

Section 2824(1) of the New York State Public Authorities Law (the “PAL”) requires all public authorities to establish written policies and procedures regarding investments. PAL Section 2925(1) requires all public authorities by resolution to adopt comprehensive investment guidelines which detail the corporation's operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of funds of the authority. Section 2925(1) further provides, among other things that the investment guidelines approved by the authority shall be annually reviewed and approved by the authority. The Nassau County Tobacco Settlement Corporation (the “Corporation”) has adopted its Amended and Restated Indenture (the “Indenture”) by and between the Corporation, as Issuer and Deutsche Bank Trust Company Americas, as Trustee dated as of March 1, 2006, which contains comprehensive provisions governing investments of the Corporation. In addition, subject to the Indenture, investments of the Corporation shall be diversified with respect to the types of investments and firms with which the Corporation does business to eliminate the risk of loss resulting from over-concentration of assets in a specific bank or trading partner or a specific maturity. The Corporation shall also obtain an annual investment report and an annual independent audit of all investments, the results of which shall be available to the board of directors of the Corporation at the time the annual review and approval of these Guidelines is conducted by the Corporation.