

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>TURNING POINT BRANDS, INC.</b>		2 Issuer's employer identification number (EIN) <b>20-0709285</b>	
3 Name of contact for additional information <b>DIANE WEBB</b>	4 Telephone No. of contact <b>502-774-9273</b>	5 Email address of contact <b>DWEBB@NATIONALTOBACCO.COM</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>5201 INTERCHANGE WAY</b>		7 City, town, or post office, state, and Zip code of contact <b>LOUISVILLE, KY 40229</b>	
8 Date of action <b>MAY 11, 2016</b>		9 Classification and description <b>COMMON STOCK</b>	
10 CUSIP number <b>90041L 1052</b>	11 Serial number(s)	12 Ticker symbol <b>TPB</b>	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **ON MAY 11, 2016, THE ABOVE NAMED ISSUER EXECUTED A STOCK SPLIT OF 10.43174381 SHARES FOR EACH PREVIOUSLY OUTSTANDING SHARE. IN ADDITION, THE ISSUER EXCHANGED APPROXIMATELY \$27.6 MILLION OF ITS PIK TOGGLE NOTES FOR APPROXIMATELY 3,168,438 SHARES OF ITS COMMON STOCK. THE ISSUER ALSO EXCHANGED AN AGGREGATE OF \$11.0 MILLION OF ITS 7% SENIOR NOTES INTO 1,128,589 SHARES OF ITS COMMON STOCK.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **AS A RESULT OF THE 10.143174381 FOR 1 STOCK SPLIT, EACH SHAREHOLDER RECEIVED AN ADDITIONAL 9.143174381 SHARES PER EACH SHARE HELD (FOR BOTH COMMON STOCK AND NON-VOTING COMMON STOCK) ON THE CLOSE OF BUSINESS, MAY 11, 2016. AS A RESULT, A STOCKHOLDER WILL MULTIPLY THE BASIS IN EACH SHARE HELD BEFORE THE STOCK SPLIT BY 1/10.43174381 TO DETERMINE THE BASIS AFTER THE STOCK SPLIT IN THE SHARES PREVIOUSLY OWNED AND THE ADDITIONAL SHARES DISTRIBUTED IN THE STOCK SPLIT.**

**AS A RESULT OF CONVERSION OF THE PIK TOGGLE NOTE AND THE 7% SENIOR NOTES, THE BASIS OF THE STOCK RECEIVED IN THE CONVERSION IS THE FACE VALUE OF THE PIK TOGGLE NOTE AND 7% SENIOR NOTES PLUS ANY ACCRUED INTEREST DIVIDED BY THE NUMBER OF SHARES RECEIVED.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **SEE ITEMS 14 AND 15.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

IRC SECTION 305(a)

IRC SECTION 307(a)

IRC SECTION 358 (a)

IRC SECTION 368 (a) (1) (E)

18 Can any resulting loss be recognized? ▶ **NO.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **TAX YEAR ENDED DECEMBER 31, 2016.**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ *Kenneth A. Andreozzi* Date ▶ *6/27/2016*

Print your name ▶ **KENNETH A. ANDREOZZI** Title ▶ **VP and Controller**

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
<b>FRED C. FARKOUH</b>	<i>Fred C. Furman</i>	<i>6/23/16</i>		<b>P00092160</b>
Firm's name ▶	Firm's address ▶		Firm's EIN ▶	Phone no.
<b>FARKOUH, FURMAN &amp; FACCIO LLP</b>	<b>460 PARK AVENUE, NEW YORK, NY 10022</b>		<b>11-2318995</b>	<b>212-245-5900</b>