



PHILIP MORRIS ČR

The Board of Directors of

Philip Morris ČR a.s.,

whose registered office is in Kutná Hora, Vítězná 1, postcode: 284 03,

identification number: 14803534,

registered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 627

(the “**Company**”),

**informs the Company’s shareholders and the public of
its decision on the
DECISION-MAKING OF THE COMPANY’S GENERAL MEETING
TO BE PERFORMED OUTSIDE THE MEETING
 (“*per rollam*”)**

The Board of Directors of the Company announces that based on its decision dated 14 October 2022 and in accordance with Section 418 *et seq.* of Act No. 90/2012 Coll., on Companies and Cooperatives (the Act on Corporations), as amended (the “**Business Corporations Act**”), in conjunction with Article 8 (4) *et seq.* of the Articles of Association of the Company, **the decision-making of the General Meeting of the Company will take place outside the meeting (“*per rollam*”). The shareholders will therefore be able to exercise their voting and other shareholder rights outside the General Meeting.**

The *per rollam* decision-making consists in the exercise of voting and other shareholder rights in writing without the personal participation of shareholders at the General Meeting, through written submissions delivered to the Company. The *per rollam* decision-making takes basically place in three steps: (1) distribution of the draft decision to the shareholders, namely in the form of publication of the draft decision in a manner allowing for remote access on the following website: <http://www.philipmorris.cz>, in section titled “For shareholders” (the “**Website**”) and, at the same time, by official publication in the Commercial Bulletin (*Obchodní věstník*) of the information that the General Meeting will decide *per rollam*; (2) delivery of the shareholders’ opinions on the draft decision; and (3) announcement of the decision adopted *per rollam*, including the date of adoption of the decision, to the shareholders. A decision adopted *per rollam* is a decision of the General Meeting as the supreme body of the Company, adopted outside the General Meeting.

In accordance with Article 8 (4) *et seq.* of the Articles of Association of the Company, the Board of Directors set out more detailed conditions and instructions for the *per rollam* decision-making at the meeting of the Board of Directors of the Company held on 3 November 2022 (the “**Per Rollam Instructions**”). These *Per Rollam* Instructions are available to the shareholders or, more precisely, are published on the Website.

The *per rollam* decision-making will apply to the following matter:

1. Amendment of the Company’s Articles of Association.

The Company proposes partial amendments of its Articles of Association. The main reason for the proposed partial amendments is, in particular, to extend the scope of business of the Company and to enable the Company to perform business activities falling under the qualified trade of “production of hazardous chemicals and hazardous chemical mixtures and sale of chemicals and chemical mixtures classified as highly toxic and toxic” or, more precisely, to obtain a trade license for the above trade, in

order to develop the Company's business activities, in particular by creating conditions for the potential future expansion of the Company's product portfolio to include products with higher nicotine concentrations.

In view of the above, the Board of Directors would hereby like to point out to the Company's shareholders that the Board of Directors **does not convene the General Meeting with the personal participation of the shareholders at the Company's registered office** and that, therefore, **it does not send invitations to the shareholders to physically participate at the General Meeting**.

The General Meeting will thus not be held, but **the shareholders may**, in accordance with legal regulations, the Company's Articles of Association and the *Per Rollam* Instructions, **exercise their voting and other shareholder rights outside the General Meeting (*per rollam*)**.

Timetable for the *per rollam* decision-making:

1.	4 November 2022	Publication of the notification of the Board of Directors on the <i>per rollam</i> decision-making , Draft Decision for the <i>per rollam</i> decision-making, instructions for the <i>per rollam</i> decision-making and the voting form on the Website
2.	14 November 2022	Decisive date for the <i>per rollam</i> decision-making (the " Decisive Date for the decision-making ")
3.	21 November 2022	Official publication of the information that the General Meeting will decide <i>per rollam</i> in the Commercial Bulletin (this day is considered the " date of dispatch of the Draft Decision " within the meaning of Article 8 (5) of the Articles of Association of the Company)
4.	21 November 2022	Beginning of the voting
5.	6 December 2022	Last day of the period set <u>for the delivery of the shareholders' voting forms (opinions)</u> on the Draft Decision (the " Voting Period ")
6.	7 December 2022	Adoption of the decision of the General Meeting (<i>per rollam</i>)
7.	21 December 2022	Announcement of the decision adopted <i>per rollam</i> (i.e. publication on the Website and official publication in the Commercial Bulletin)

The Board of Directors of the Company publishes on the Website, along with this **notification** and in accordance with the above timetable for the *per rollam* decision-making, the **Draft Decision for the *Per Rollam* Decision-Making including justification** and the ***Per Rollam* Instructions**. The Draft Decision also includes the **Voting Form**, which can be downloaded starting on the date of the beginning of the vote and used for voting. Before the date of commencement of the vote, only a template voting form will be officially published for shareholders, for the purpose of their familiarisation with the wording and its form on the Website, which however will not yet be intended for voting.

The Board of Directors of the Company will, furthermore, in accordance with Article 8 (5) (b) of the Articles of Association of the Company, **also officially publish the information that the General Meeting will decide *per rollam* in the Commercial Bulletin** according to the timetable on 21 November 2022. This method of delivery (i.e. publication of the Draft Decision on the Website and official publication of the information about the *per rollam* decision-making in the Commercial Bulletin) **replaces**, in accordance with Article 8 (5) of the Articles of Association of the Company, **the sending of the Draft Decision to all shareholders at their addresses and the Draft Decision in printed form will therefore no longer be sent to the shareholders**. The Draft Decision will be delivered to each shareholder on the date on which the above essentials, i.e. publication on the Website as well as official publication in the Commercial Bulletin, are fulfilled. This day is further referred to as the "**date of dispatch of the Draft Decision**". In accordance with the timetable for the *per rollam* decision-making, the voting will begin on **21 November 2022**.

THE DECISIVE DATE FOR THE PER ROLLAM DECISION-MAKING

The significance of the Decisive Date for the decision-making lies in the fact that it determines who is entitled to exercise voting and other shareholder rights within the *per rollam* decision-making. In the case of the Company's book-entered shares, the shareholder entitled to exercise voting and other shareholder rights within the *per rollam* decision-making, directly or by proxy, is any shareholder listed in the extract from the Issue Register of the Company, i.e. in the Register of Book-Entered Securities maintained under a special legal regulation as at the Decisive Date for the decision-making, i.e. **14 November 2022**. In the case of the Company's certificated shares, the shareholder entitled to exercise voting and other shareholder rights within the *per rollam* decision-making, directly or by proxy, is any shareholder listed in the List of Shareholders of the Company as at the Decisive Date for the decision-making, i.e. **14 November 2022** (unless it is proven that the relevant entry in the List of Shareholders as at that date does not reflect the actual state of affairs).

The shareholder's representative (proxy) must be authorised to exercise the voting and other shareholder rights within the *per rollam* decision-making by a person who was a shareholder of the Company as at the Decisive Date for the decision-making, on the basis of a written Power of Attorney with an officially verified signature stating whether it was only granted for representation in the exercise of the voting and other shareholder rights of the principal as a shareholder of the Company within the *per rollam* decision-making and/or whether it was granted, at the same time, for representation at any future General Meetings to be held in the form of meetings with the personal participation of the shareholders as well as any future decision-makings by the Company's General Meeting to be performed outside the meetings (*per rollam*). The *Per Rollam* Instructions stipulate when it is possible to replace an officially verified signature with an electronic signature.

It is deemed that any person registered as at the Decisive Date for the decision-making in the Register of Investment Instruments or in the Issue Register of the Company, i.e. in the Register of Book-Entered Securities maintained under a special legal regulation, as an administrator or as a person authorised to exercise rights associated with shares, is entitled to represent the relevant shareholder in the exercise of rights associated with the shares of the Company maintained on the related account, including the exercise of voting and other shareholder rights within the *per rollam* decision-making. Instead of a Power of Attorney, such a person proves that person's identity with an extract from the Register of Investment Instruments. The authorisation of that person to represent and exercise the rights of a shareholder must follow from the relevant extract from the Register of Investment Instruments or an extract from the Register of Book-Entered Securities. Details concerning representation by an administrator or a person authorised to exercise voting and other shareholder rights within the *per rollam* decision-making on behalf of a shareholder are set out in the *Per Rollam* Instructions.

The rules governing representation by an administrator or a person authorised to exercise voting and other shareholder rights within the *per rollam* decision-making contained above and in the *Per Rollam* Instructions will not apply if the Company is delivered, in a manner and to the addresses specified in the *Per Rollam* Instructions, a manifestation of a shareholder's will to recall or limit that shareholder's representation so that the representation in the *per rollam* decision-making is not permitted within the given scope, or if the shareholder exercises that shareholder's voting right directly and not through an administrator.

PROVING THE AUTHORISATION TO ACT ON BEHALF OF A SHAREHOLDER OR TO REPRESENT A SHAREHOLDER

Shareholders (who were the Company's shareholders as at the Decisive Date for the decision-making) or their representatives (proxies) prove their authorisation to exercise voting rights by an **officially verified signature** on the Voting Form. The *Per Rollam* Instructions stipulate when it is possible to replace an officially verified signature with an electronic signature. The person authorised to act on behalf of a shareholder – legal entity must further prove that person's identity by an up-to-date **extract related to that entity from the Commercial Register or any other relevant register** (not older than 3 months) or its verified copy **proving the existence of the legal entity and certifying that person's right to act on behalf of the legal entity, which the authorised person attaches to the Voting Form**. The proxy representing the shareholder on the basis of a Power of Attorney is obliged to attach to the Voting Form the written Power of Attorney with an officially verified signature stating whether it was only granted for representation in the exercise of voting and other shareholder rights of the principal as a shareholder of

the Company within the *per rollam* decision-making or whether it was granted, at the same time, for representation at any future General Meetings, or any decision-makings by the Company's General Meeting performed outside the meetings (*per rollam*). The Board of Directors would like to point out to the shareholders that if a Power of Attorney is signed or an extract from the Commercial Register or any other relevant register is issued abroad, an apostille or a higher verification ("superlegalisation") must be attached to such a document depending on the country in which the Power of Attorney is signed or in which the extract from the Commercial Register or any other relevant register is issued. If any of the aforementioned documents, verification clauses, apostilles or higher verifications is made in a foreign language (with the exception of Slovak), an official translation thereof into the Czech language must also be attached to it. Further details on proving the authorisation to exercise voting and other shareholder rights are set out in the *Per Rollam* Instructions.

The Company's Board of Directors informs the shareholders that the Power of Attorney forms are published in a manner allowing for remote access on the Website. The Power of Attorney forms are also available in printed form at the Company's registered office. Any shareholder has the right to request the delivery of a Power of Attorney form in printed form or by electronic means at that shareholder's own expense and risk. The Company accepts notices on the granting of any Powers of Attorney as well as on their revocation in writing, either in printed form or in electronic form. The rules for the delivery of documents set out in the *Per Rollam* Instructions will apply to the delivery of notices on the granting or revocation of any Powers of Attorney to the Company. Further details on the representation of shareholders on the basis of Powers of Attorney are set out in the *Per Rollam* Instructions.

VOTING RIGHTS

The Company has issued 1,913,698 registered book-entered shares and 831,688 registered certificated shares, i.e. a total of 2,745,386 shares with a nominal value of CZK 1,000 each, as at the Decisive Date. Each share of the Company is associated with one vote for the *per rollam* decision-making, i.e. the total number of votes is 2,745,386 votes. The majority decisive for the adoption of all decisions (i.e. a two-third majority in the case of decisions on amendments of the Articles of Association, and the absolute majority in the case of any other decisions) is calculated from the total number of votes of all shareholders of the Company. When determining the total number of votes of all shareholders of the Company, neither the votes associated with the shares held by the Company (if any) nor votes of the shareholders unable to exercise their voting rights will be taken into account.

A condition for exercising the voting right by a shareholder is also the registration of that shareholder's beneficial owner in the Register of Beneficial Owners in accordance with Act No. 37/2021 Coll., on Register of Beneficial Owners, as amended (the "**Act on Register of Beneficial Owners**"), if the shareholder is obliged to arrange for the registration of the beneficial owner pursuant to the said Act.

In connection with the above, the Board of Directors hereby **requests the shareholders** who are obliged to register their beneficial owners in accordance with the Act on Register of Beneficial Owners to register their beneficial owners in the Czech Beneficial Owner Register and, at the same time, to make the data registered therein compliant with the requirements of the Act on Register of Beneficial Owners, unless they have done so earlier, among other things, with regard to the amendment of the Act on Register of Beneficial Owners effective from 1 October 2022.

The exercise of the voting right within the *per rollam* decision-making is only performed in writing, namely in printed form or in electronic form pursuant to the *Per Rollam* Instructions (due to the necessity of legal certainty in connection with the proper identification of shareholders, no other forms of voting using any other technical means, e.g. a telephone, are permitted). The shareholders or their representatives (proxies) express their opinions on the Draft Decision and vote on it only using the Voting Form intended for the shareholders' opinions on the Draft Decision, which forms part of the Draft Decision. The Voting Form published on the Website as at the date of dispatch of the Draft Decision, i.e. **21 November 2022**, can only be used for voting (not the template voting form published before that date).

Voting begins on the date of dispatch of the Draft Decision (21 November 2022). Each of the shareholders votes on the Draft Decision by **completing the Voting Form and delivering the completed Voting Form to the Company in writing in accordance with the *Per Rollam* Instructions**. **The signature on the Voting Form must be officially verified**. The *Per Rollam* Instructions stipulate when it is possible to replace an officially verified signature with an electronic signature. If the Voting Form is

signed abroad, an apostille or a higher verification (“superlegalisation”) must also be attached to the official verification of the signature, depending on the country in which the document is signed. If any of the aforementioned documents, verification clauses, apostilles or higher verifications is made in a foreign language (with the exception of Slovak), an official translation thereof into the Czech language must be attached to it.

The proposal(s) of the Board of Directors or the Supervisory Board, or counter-proposal(s) of the Board of Directors or the Supervisory Board raised in connection with any proposal(s) of a shareholder or shareholders holding shares with an aggregate nominal value of at least 1% of the registered capital, are voted on first. A shareholder does not have to exercise the voting rights associated with all of that shareholder’s shares in the same manner; this also applies to that shareholder’s proxy. Details of the voting on the Draft Decision (Decisions) are set out in the *Per Rollam* Instructions.

The period for delivery of the completed Voting Forms to the Company (the Voting Period) is 15 days from the date of dispatch of the Draft Decision. The last day of the period for the delivery of the shareholders’ opinions on the Draft Decision (the Voting Period) is therefore 6 December 2022. Any completed Voting Form must therefore be delivered to the Company no later than on 6 December 2022. Completed Voting Forms that are sent but not delivered to the Company within the Voting Period will not be taken into account.

If a shareholder does not submit that shareholder’s consent to the Draft Decision within the set Voting Period (i.e. by 6 December 2022), in accordance with Section 419 (1) of the Business Corporations Act, this means that the shareholder does not agree with the Draft Decision. Delivery is further governed by the rules set out in the *Per Rollam* Instructions.

The voting will be evaluated after its completion. The date on which the relevant decision is adopted will be the day following the date of expiry of the Voting Period, i.e. **7 December 2022**. The shareholders of the Company will be informed of the results of the *per rollam* decision-making in accordance with the relevant legal regulations on **21 December 2022** (see the above timetable).

OTHER SHAREHOLDER RIGHTS

In accordance with the Company’s Articles of Association and the Business Corporations Act, in conjunction with the *Per Rollam* Instructions, each shareholder has the right to exercise other shareholder rights in addition to that shareholder’s voting rights. The exercise of those shareholder rights is only performed in writing. As of 4 November 2022, each shareholder will be entitled to request and receive from the Company explanations of matters concerning the Company or its controlled entities, if such explanations are necessary for the assessment of the content of matters included in the *per rollam* decision-making or for the exercise of shareholder rights related thereto.

The Company will provide an explanation of any matter related to the *per rollam* decision-making to the shareholder in writing, namely in the form of a letter sent to the shareholder’s address or electronically by e-mail, depending on the manner in which the request for explanation was submitted, by the end of the Voting Period. If this is not possible due to the complexity of the explanation, the Company will provide an explanation to all shareholders within 15 days of the end of the vote, even if this is no longer necessary for the assessment of matters intended for the *per rollam* decision-making or for the exercise of other related shareholder rights, in the form of a notification published on the Website. An explanation can also be provided in the form of a summary answer to several questions of similar content. The explanation will also be published in a manner allowing for remote access on the Website. It will also be deemed that the explanation has been provided to the shareholder if the information was published on the Website no later than on the day preceding the date of expiry of the Voting Period. If the information is provided to a shareholder, any other shareholder has the right to request this information without following the procedure for exercising the right to receive an explanation described above.

The Board of Directors of the Company may refuse to provide an explanation in whole or in part if its provision could cause harm to the Company or its controlled persons, if it constitutes inside information or classified information under another legal regulation, or if the requested explanation is publicly available. The fulfilment of the conditions for the refusal to provide an explanation will be assessed by the Company’s Board of Directors and the reasons will be communicated to the shareholder. A notice of refusal to provide an explanation will be published on the Website.

Each shareholder has the right to request that the Company's Supervisory Board determine that the conditions for refusing to provide an explanation have not occurred and that the Company's Board of Directors is obliged to provide an explanation to the shareholder. The Company's Supervisory Board will decide on the shareholder's request within the Voting Period (i.e. in this case by 6 December 2022), and if this is not possible, within 5 business days from the date of expiry of that period. If the Company's Supervisory Board does not agree with the provision of an explanation or does not express its opinion within the aforementioned period of 5 business days, or in a situation where the Company's Board of Directors has not provided the relevant information in spite of having been instructed to do so by the Supervisory Board of the Company, or where the Company's Board of Directors has informed the shareholder that it will submit the explanation after the end of the *per rollam* decision-making, and yet it has not submitted it, the court will decide whether the Company is obliged to provide the information, based on an application of the particular shareholder. More detailed rules on the right to receive explanations are set out the *Per Rollam* Instructions.

The raising of proposals and counter-proposals by a shareholder is not permitted, except for the rights of a qualified shareholder.

At the request of a shareholder or shareholders holding shares with an aggregate nominal value of at least 1% of the registered capital, the Board of Directors of the Company will include in the Draft Decisions (Decision) a matter determined by that shareholder (those shareholders), provided that a draft decision is attached to each such particular matter or that the inclusion of each such particular matter is justified and that the request can be processed, with respect to the nature and course of the *per rollam* decision-making, without any unreasonable administrative burden, unreasonable costs or unreasonable efforts being incurred.

In accordance with Section 121i (1) of Act No. 256/2004 Coll., on Capital Market Undertakings, as amended (the "**Capital Market Undertakings Act**"), the Company will send to shareholders or their authorised persons, upon their request, information on whether and how the particular shareholder's votes were counted within the *per rollam* decision-making. The Company is not obliged to comply with the request for information if the information is already available to the shareholder or its authorised person or if the Company receives the request for information more than 3 months after the date of adoption of the decision, i.e. after 7 December 2022.

PUBLICATION OF DOCUMENTS

All documents and information concerning the *per rollam* decision-making which are to be published pursuant to Section 120b (1) (a), (b), (d) to (f) of the Capital Market Undertakings Act, as well as the Power of Attorney forms, are available for view and can be obtained at the Company's registered office, i.e. in Kutná Hora, Vítězná 1, postcode 284 03, on business days from 4 November 2022 to 6 December 2022, always between 2 p.m. and 5 p.m. All the above documents are also published in a manner allowing for remote access on the Website.

FURTHER INFORMATION

The shareholders may check whether their voting forms have been delivered to the Company and whether their votes are valid on the following telephone number: + 420 327 588 357. The Infoline will be available starting on the date of the beginning of the vote.

For shareholders' inquiries related to the *per rollam* decision-making process, please call the Infoline at + 420 327 588 358. No requests for explanations of matters concerning the Company or its controlled entities within the meaning of Section 357 *et seq.* of the Business Corporations Act, may be submitted via this Infoline.

Interim voting results will be available to the shareholders in a manner allowing for remote access at the following website: <http://www.per-rollam.cz/pm>, starting on the date of the beginning of the vote.

In Kutná Hora, on 3 November 2022

Philip Morris ČR a.s.



Andrea Gontkovičová

Chairperson of the Board of Directors

Philip Morris ČR a.s.



Anton Stankov

Member of the Board of Directors