



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, Section B, File 627
(the “**Company**”),

taking into account the current epidemiological situation and the spread of COVID-19 in the Czech Republic and surrounding countries, and following the measures taken by the Government of the Czech Republic, the Ministries and other authorities, hereby

**informs the Company’s shareholders and the public of (and confirms)
its decision on the**

DECISION-MAKING OF THE COMPANY’S GENERAL MEETING OUTSIDE THE MEETING (“*per rollam*”)

With regard to the safety and protection of health of shareholders, their representatives or other persons involved or participating in the preparation and holding of the General Meeting, and also with regard to the fact that further development of the COVID-19 pandemic and the measures taken cannot be predicted with certainty, the Board of Directors decided on 1 February 2021 and now confirms that **it will not convene the General Meeting approving, among other things, the Company’s financial results for 2020, and that the General Meeting will not be held with the personal participation of shareholders.**

The Board of Directors of the Company further decided, on 1 February 2021, and now confirms that the matters which the Board of Directors of the Company had originally intended to include in the agenda of the General Meeting will be, in accordance with Section 418 *et seq.* of Act No. 90/2012 Coll., on Business Companies and Cooperatives (the Act on Business Corporations), as amended (the “**Business Corporations Act**”), in conjunction with Section 19 (1) of Act No. 191/2020 Coll., on Certain Measures to Mitigate Impacts of the SARS CoV-2 Coronavirus Epidemic on Litigants, Aggrieved Parties, Victims of Crime and Legal Entities and on Amendment of the Insolvency Act and the Civil Procedure Code (“**Lex Covid**”), as amended, **decided on outside the General Meeting of the Company (“*per rollam*” or within the “*per rollam* decision-making”). Similarly as in the past year, 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 decisions; (2) delivery of the shareholders’ opinions on the draft decisions; and (3) announcement of the decision adopted *per rollam* including date of adoption of the decision to the shareholders. A decision taken *per rollam* is a decision of the General Meeting as the supreme body of the Company, taken outside the General Meeting.

Although the possibility of the *per rollam* decision-making is not regulated in the Company’s Articles of Association, the *per rollam* decision-making is allowed under Section 19 (1) of Lex Covid, on the basis of which a body of a legal entity may decide outside the meeting in writing even if the constitutional document does not permit this. As the current Articles of Association of the Company do not regulate the conditions for the *per rollam* decision-making, these conditions were determined by the Board of Directors at a meeting of the Board of Directors of the Company held on 29 March 2021 (the “**Per Rollam Instructions**”) in accordance with Section 19 (2) of Lex Covid. These *Per Rollam* Instructions are available to shareholders or, more precisely, are published in a manner allowing

for remote access on the following website: <http://www.philipmorris.cz>, in section titled "For shareholders" (the "Website").

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

1. Approval of the Report of the Board of Directors on the Business Activities of the Company;
2. Approval the 2020 ordinary financial statements, the 2020 ordinary consolidated financial statements and the proposal for the distribution of profit for the year 2020, including an indication of the amount of profit shares;
3. Approval of the 2020 Remuneration Report;
4. Election of Mr. Petr Šedivec to the office of a member of the Board of Directors;
5. Election of Ms. Alena Zemplerová and Ms. Stanislava Juríková to the office of members of the Supervisory Board;
6. Election of Ms. Stanislava Juríková and Mr. Johann van Capelleveen to the office of members of the Audit Committee;
7. Appointment of the Company's auditor;
8. Amendment of the Company's Articles of Association.

The documents submitted by the Board of Directors of the Company to the shareholders also include the Supervisory Board Report, which is not to be approved and on which no decision will be taken. Nevertheless, the Supervisory Board Report, including a statement of the Board of Directors of the Company, is submitted to the shareholders for acknowledgment.

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.	2 February 2021	Publication of the intention/decision of the Company's Board of Directors regarding the <i>per rollam</i> decision-making on the Website
2.	30 March 2021	Publication of the notification of the Board of Directors on the <i>per rollam</i> decision-making, draft decisions for the <i>per rollam</i> decision-making, instructions for the <i>per rollam</i> decision-making and the voting form on the Website
3.	8 April 2021	Decisive date for the <i>per rollam</i> decision-making (the "Decisive Date") and decisive date for exercising the right to a share in the profit
4.	15 April 2021	Sending notifications of the Board of Directors on the <i>per rollam</i> decision-making, draft decisions for the <i>per rollam</i> decision-making, instructions for the <i>per rollam</i> decision-making and the voting form to shareholders in writing (this day will hereinafter be referred to as the "sending of the draft decisions" or the "day on which the draft decisions are sent")
5.	15 April 2021	Beginning of the voting
6.	30 April 2021	Publication of the preliminary results of the <i>per rollam</i> decision-making on the Website
7.	21 May 2021	Last day of the period set for the delivery of the shareholders' voting forms (opinions) on the draft decisions (the "Voting Period")
8.	28 May 2021	Sending notifications of the final results of the decisions adopted <i>per rollam</i> to the shareholders in writing
9.	28 May 2021	Publication of the final results of the decisions adopted <i>per rollam</i> on the Website
10.	21 June 2021	Maturity date of the shares in profit and beginning of the payment period proposed by the Board of Directors for the payment of the shareholders' shares in the Company's profit

The Board of Directors of the Company sends to the shareholders and publishes, along with this notification and in accordance with the above timetable for the *per rollam* decision-making, the **Draft Decisions including their justifications** and the **Per Rollam Instructions**, in a manner allowing for remote access on the Website. The Draft Decisions also include 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 disclosed to 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. Voting begins on 15 April 2021 upon the distribution of the Draft Decisions to the Company's shareholders who were the Company's shareholders as at the Decisive Date, i.e. 8 April 2021.

THE DATE DECISIVE FOR THE PER ROLLAM DECISION-MAKING

The significance of the Decisive Date lies in the fact that it determines who is entitled to exercise voting and other shareholder rights within *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, was any shareholder who is 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, i.e. **8 April 2021**. 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, i.e. **8 April 2021**, (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 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, 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 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 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 all rights associated with the Company's shares held in the given 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 rights associated with shares 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 rights associated with shares 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 the 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) or their representatives 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 sending 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 Powers of Attorney as well as on their recalls 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 communications on the granting or recalls of any Powers of Attorney. 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 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.

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 will express their opinions on the Draft Decisions and vote on them only using the Voting Form intended for the shareholders' opinions on the Draft Decisions, which forms part of the Draft Decisions. The Voting Form delivered to the Company's shareholder as well as the Voting Form published on the Website as at the date on which the Draft Decisions are sent to the Company's shareholders, i.e. **15 April 2021**, can be used for voting (not the template voting form published before that date).

Voting begins on the day on which the Draft Decisions are sent to the shareholders. Each of the shareholders will vote on the Draft Decisions 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 attorneys. Details of the voting on the Draft 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 delivery of the Draft Decisions to the shareholders. In accordance with Section 573 of Act No. 89/2012 Coll., the Civil Code, as amended, it is deemed that a consignment sent via a mail service provider reached the addressee on the third business day after its dispatch in the case of a consignment sent to an address in the Czech Republic and on the fifteenth business day after its dispatch in the case of a consignment sent to an address in another country. Irrespective of the date on which the Draft Decisions are delivered to the individual shareholders, the last day of the period for the delivery of the opinions of all shareholders of the Company is **21 May 2021**. With regard to the measures taken to date in connection with the occurrence of the COVID-19 disease caused by the new SARS CoV-2 coronavirus, the Board of Directors of the Company would like to point out to the shareholders that the delivery of the Voting Forms from them to the Company may be longer under these emergency circumstances (especially in the case of delivery from abroad) than under normal circumstances, and recommends that shareholders take this into account when exercising their voting rights. Completed Voting Forms that are sent but not delivered to the Company within the Voting Period will not be taken into account.

The last day of the period for delivery of the shareholders’ opinions on the Draft Decisions (the Voting Period) is 21 May 2021, in accordance with the above rules. The completed Voting Form must therefore be delivered to the Company no later than on 21 May 2021. No Voting Forms received later will be taken into account. If a shareholder does not submit that shareholder’s consent to the Draft Decision(s) within the set Voting Period (i.e. by 21 May 2021), in accordance with Section 419 (1) of the Business Corporations Act, this means that the shareholder does not agree with the Draft Decision(s). 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 decision is adopted will be the day following the day of expiry of the Voting Period, i.e. **22 May 2021**. 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 **28 May 2021** (see the above timetable).

OTHER SHAREHOLDER RIGHTS

In accordance with the Business Corporations Act, in conjunction with Lex Covid and 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 30 March 2021, 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 explanations of matters 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(s) 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 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 be deemed that the explanation was given 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 21 May 2021), and if this is not possible, within 5 business days from the date of expiry of this 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 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 the decision, i.e. after 22 May 2021.

PUBLICATION OF DOCUMENTS

All documents and information concerning the *per rollam* decision-making, including the Annual Report, the ordinary financial statements, the ordinary consolidated financial statements and the main data from such financial statements, 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 30 March 2021 to 21 May 2021, 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.

DISTRIBUTION OF PROFIT AND PAYMENT OF THE SHAREHOLDERS' SHARES IN THE COMPANY'S PROFIT

In accordance with the relevant legal regulations and the Company's Articles of Association, the Board of Directors of the Company has prepared and submits to the shareholders the Report on the Business Activities of the Company, the Summary Explanatory Report concerning matters pursuant to Section 118 (5) (a) to (k) of the Capital Market Undertakings Act, and the Report on Relations between the Controlling Entity and the Controlled Entity and between the Controlled Entity and the Entities Controlled by the Same Controlling Entity (the "**Report on Relations**"). The Report on Relations shows that, in the accounting period of 2020, the Company did not suffer any damage as a controlled entity as a result of the influence of Philip Morris Holland Holdings B.V. as the controlling entity. The above documents form part of the Company's Annual Report for the 2020 calendar year accounting period. More detailed information on the above documents is included in the Draft Decisions

The Board of Directors also arranged for the preparation of the Company's ordinary financial statements for the 2020 calendar year accounting period and the Company's ordinary consolidated financial statements for the 2020 calendar year accounting period as well as their verification by an auditor, all in accordance with the relevant laws and regulations requiring the preparation of those documents. The above documents are part of the Company's 2020 Annual Report. The Board of Directors of the Company states that the economic result of the Company for the 2020 calendar year accounting period is a profit of CZK 3,460,543,741.99.

The text below also contains the main data of the ordinary financial statements for 2020, the main data of the ordinary consolidated financial statements for 2020, and the proposal for the distribution of the Company's profit for 2020.

The shares in the Company's profit for the year 2020 will be paid to the Company's shareholders as follows: in the case of book-entered shares, to the shareholders were 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 date decisive for the *per rollam* decision-making, i.e. **as at 8 April 2021** (the "**Date Decisive for Exercising Profit Share Rights**"), and in the case of certificated shares, to the shareholders were listed in the list of the Company's shareholders as at the Date Decisive for Exercising Profit Share Rights (unless it is proven that the relevant entry in the list of the Company's shareholders as at that date does not reflect the actual state of affairs).

The shareholders' shares in the Company's profit will be paid to the shareholders on the date and in the manner approved by the General Meeting within the *per rollam* decision-making. According to the proposal of the Board of Directors of the Company that the Board of Directors submits for approval, the profit shares will be paid to the shareholders via Česká spořitelna, a.s., a company whose registered office is in Prague 4, Olbrachtova 1929/62, postcode: 140 00, identification number: 452 44 782, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1171.

Česká spořitelna, a.s. will send a "Notification of the Payment of Proceeds from Securities" to each shareholder in the Czech Republic and abroad by mail, in each case to the particular shareholder's address specified in the extract from the Issue Register of the Company maintained by the Central Securities Depository (Centrální depozitář cenných papírů, a.s.) as at 8 April 2021 in the case of book-entered shares and to the particular shareholder's address specified in the list of the Company's shareholders as at 8 April 2021 in the case of certificated shares.

According to the proposal of the Board of Directors, profit shares will be paid to shareholders who are **individuals** during the determined payment period via wireless cash transfer, in each case to the particular shareholder's bank account specified in the list of shareholders maintained by the Company, or in the register of book-entered securities in the case of book-entered shares. In case the relevant bank account number is not entered in the list of shareholders or in the register of book-entered securities (or the number is not up-to-date), the relevant share in profit will be sent to the bank account which the shareholder notifies to the Company through Česká spořitelna, a.s. for this purpose.

Profit shares will be paid to the shareholders who are individuals after submitting all the necessary documents, including a declaration of the actual beneficial owner and also certificate of tax domicile, if a shareholder who is a tax resident of a country other than the Czech Republic requests the application of a special withholding tax rate. In the case of shareholders who are individuals with their permanent residence in the territory of the Czech Republic, the profit shares may also be paid at branches of Česká spořitelna, a.s. in cash, subject to the presentation of a valid ID card. If a shareholder who is a tax

resident of a country other than the Czech Republic requests the application of a special withholding tax rate, this shareholder will be obliged to submit, along with presentation of their valid ID card, a certificate of their tax domicile and a declaration of the beneficial owner.

The maturity date of the shares in profit has been determined as **21 June 2021**. The payment period will last **from 21 June 2021 to 31 March 2022**. Information on the required documents will be published on the following website: <http://www.philipmorris.cz>, in section titled "For shareholders" and will be provided by Česká spořitelna, a.s.

According to the proposal of the Board of Directors, shareholders who are **legal entities** will also be paid profit shares through Česká spořitelna, a.s. in accordance with the rules defined above.

Profit shares will be paid to the shareholders who are legal entities only via a wireless cash transfer in each case to the particular shareholder's bank account specified in the list of shareholders maintained by the Company, or in the register of book-entered securities in the case of book-entered shares. In case the relevant bank account number is not entered in the list of shareholders or in the register of book-entered securities (or the number is not up-to-date), the relevant share in profit will be sent to the bank account which the shareholder notifies to the Company through Česká spořitelna, a.s. for this purpose. Shareholders who are legal entities (or legal arrangements) will only be paid their shares in profit after fulfilling the statutory conditions for the payment of a share in profit by the shareholder (including the registration of the beneficial owner of each particular shareholder who is a legal entity (or legal arrangement) in the register of beneficial owners (hereinafter referred to as the "**Czech Beneficial Owner Register**") in accordance with Section 53 (2) of 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 entry of the beneficial owner or if the provisions of the above Act and the obligation to enter the beneficial owner in Czech Beneficial Owner Register applies to the shareholder), i.e. after submitting an up-to-date extract from the Czech Beneficial Owner Register in order to prove that the beneficial owner of the relevant shareholder has been registered, and after submitting a related declaration confirming that the information entered in the Czech Beneficial Owner Register and stated in the submitted extract is up-to-date as at the date on which the application for payment of the share in profit (the shareholder's reply to the Notification of the Payment of Proceeds from Securities) is filed, as well as after submitting all other necessary documents, including a declaration of the actual beneficial owner and also a certificate of tax domicile, if a shareholder who is a tax resident of a country other than the Czech Republic requests the application of a special withholding tax rate.

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 (unless they have already done so) and, at the same time, after the effective date of the Act on Register of Beneficial Owners, to make the registered data compliant with the requirements of the Act on Register of Beneficial Owners. Furthermore, the Board of Directors **requests the shareholders**, after the effective date of the Act on Register of Beneficial Owners, i.e. after **1 June 2021**, **to submit to the Company through Česká spořitelna, a.s.** (in accordance with the Notification of the Payment of Proceeds from Securities) **their up-to-date extracts from the register of beneficial owners** (not older than one month) **and declarations confirming that the information** entered in the Czech Beneficial Owner Register and stated in the relevant submitted extract **is up-to-date** as at the date on which the application for payment (the shareholder's reply to the Notification of the Payment of Proceeds from Securities) is filed. Details regarding the form of the extract from the Czech Beneficial Owner Register and details regarding the declaration confirming that the information entered in the Czech Beneficial Owner Register is up-to-date, will be set out by the Board of Directors and published in a manner allowing for remote access on the following website: <http://www.philipmorris.cz>, in section titled "For shareholders" before the beginning of payment period.

If a shareholder does not provide the extract from the Czech Beneficial Owner Register proving the registration of its beneficial owner in the register and the related declaration to confirm that the information entered in the Czech Beneficial Owner Register and stated in the submitted extract is up-to-date as at the date on which the application for payment of the share in profit is filed, the Company will not pay the share in profit in accordance with the law. The up-to-date extract from the Czech Beneficial Owner Register will be submitted to the Company through Česká spořitelna, a.s. and must not be older than one month at the time of its submission. The declaration confirming that the information entered in the Czech Beneficial Owner Register is up-to-date will be submitted to the Company through Česká spořitelna, a.s. If a share in profit is not paid to the relevant shareholder (legal arrangement) due to the

absence of registration of its beneficial owner in Czech Beneficial Owner Register **by 31 December 2021, the right to that share in profit will cease to exist** (Sections 53 (2) and (3) of the Act on Register of Beneficial Owners).

A shareholder claiming a share in profit (or its payment) within a payment period after 31 December 2021 must demonstrate and prove that its right to a share in profit has not ceased to exist due to the absence of registration of its beneficial owner in the Czech Beneficial Owner Register by 31 December 2021. Otherwise, the share in profit will not be paid to that shareholder due to the fact that the shareholder's rights to that payment has ceased to exist.

Contact persons at Česká spořitelna, a.s.:

8430 Back Office for Investment Products

Naděžda Šmídová

e-mail: nsmidova@csas.cz

Milan Williams

e-mail: mwilliams@csas.cz

Telephone: 956 765 438

Contact address for the delivery documents for payment:

8430 Back Office for Investment Products

Budějovická 1518/13b

140 00 Prague 4

MAIN DATA OF THE ORDINARY FINANCIAL STATEMENTS FOR THE YEAR 2020 (IN MILLIONS OF CZK)

Fixed assets:	3,448	Registered capital and funds:	5,106
Short-term assets:	11,800	Retained earnings from prior years:	3
.....		Net profit:	3,461
.....		Long-term liabilities:	364
.....		Short-term liabilities:	6,314
Total assets:	15,248	Total equity and liabilities:	15,248

MAIN DATA OF THE ORDINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2020 (IN MILLIONS OF CZK)

Fixed assets:	3,563	Registered capital and funds:	5,114
Short-term assets:	12,614	Retained earnings from prior years:	21
.....		Net profit:	3,526
.....		Long-term liabilities:	410
.....		Short-term liabilities:	7
Total assets:	16,177	Total equity and liabilities:	16,177

PROPOSAL FOR THE DISTRIBUTION OF PROFIT FOR THE YEAR 2020 (IN CZK)

After-tax profit for the year 2020	3,460,543,741.99
Share in profit from profit for the year 2020	3,459,186,360.00
Transfer of retained earnings for the year 2020 to the account of retained earnings from prior years	1,357,381.99
Retained earnings from prior years which remained retained	2,896,634.84

Profit shares will be paid to shareholders holding the Company's shares as at 8 April 2021.

The proposed gross amount of a profit share per share is CZK 1260, with the total number of shares being 2,745,386.

Kutná Hora, on 29 March 2021



Philip Morris ČR a.s.

Andrea Gontkovičová

Chairperson of the Board of Directors



Philip Morris ČR a.s.

Petr Šedivec

Member of the Board of Directors