



PHILIP MORRIS ČR

**DRAFT DECISIONS
OF THE GENERAL MEETING**

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**"),

**presented by the Board of Directors of the Company
in relation to the decision-making outside the General Meeting ("per rollam")**

in accordance with Section 418 of Act No. 90/2012 Coll., on Business Corporations 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, as amended ("**Lex Covid**")

***Note: The English version of this document is published for informational purposes only.
The prevailing version of this document is the version published in the Czech language.***

The decision-making outside the General Meeting of the Company concerns the following points:

1. Approval of the Report of the Board of Directors on the Business Activities of the Company;
2. The Supervisory Board Report;
3. 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;
4. Approval of the 2020 Remuneration Report;
5. Election of Mr. Petr Šedivec to the office of a member of the Board of Directors;
6. Election of Ms. Alena Zemplerová and Ms. Stanislava Juríková to the office of members of the Supervisory Board;
7. Election of Ms. Stanislava Juríková and Mr. Johannis van Capelleveen to the office of members of the Audit Committee;
8. Appointment of the Company's auditor;
9. Amendment of the Company's Articles of Association.

The following schedules form integral parts of these draft decisions:

1. Instructions for the *Per Rollam* Decision-Making;
2. Main Data of the Ordinary Financial Statements of the Company for the 2020 Calendar Year Accounting Period and main Data of the Ordinary Consolidated Financial Statements of the Company for the 2020 Calendar Year Accounting Period;
3. Proposal for the Distribution of Profit for the Year 2020;
4. 2020 Remuneration Report;
5. Copy of Notarial Record NZ 50/2021 N 60/2021 of 16 March 2021, which contains a draft decision on the amendment of the Company's Articles of Association;
6. Draft of the amendments of the Company's Articles of Association (with the marked amendments);
7. Voting Form for the Company's Shareholders to Express Their Opinions on the Draft Decisions.

Voting on these draft decisions will be governed by the instructions for the *per rollam* decision-making, which form an integral part of these draft decisions and are attached as Schedule 1 to these draft decisions.

Order of the individual draft decisions:

1. **Approval of the Report of the Board of Directors on the Business Activities of the Company**

Draft decision:

1.1. "The Report of the Board of Directors on the Business Activities of the Company in the wording submitted by the Company's Board of Directors is hereby approved."

Reasoning:

On the basis of established practice and in order to properly inform the shareholders, the Board of Directors of the Company has prepared and submits to the shareholders, as in the previous years, the Report on the Business Activities of the Company in accordance with Section 436 (2) of the Business Corporations Act. The discussion on and approval of the Report of the Board of Directors on the Business Activities of the Company is based on Article 13 (3) (b) of the Company's Articles of Association. The Report of the Board of Directors on the Business Activities of the Company is published in a manner allowing for remote access on the following website: <http://www.philipmorris.cz>, in section titled "For shareholders", and **is also contained in the Annual Report** of the Company for the 2020 calendar year accounting period (the "**Annual Report**"). The Annual Report is published in a manner allowing for remote access on the following website: <http://www.philipmorris.cz>, in section titled "For shareholders".

Furthermore, in accordance with the requirement set out in Section 118 (9) of the Capital Market Undertakings Act, the Board of Directors of the Company submits to the shareholders the Summary Explanatory Report concerning certain matters pursuant to Section 118 (5) (a) to (k) of Act No. 256/2004 Coll., on Undertakings on the Capital Market, as amended (the "**Capital Market Undertakings Act**"). This Summary Explanatory Report as well as 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**") prepared pursuant to Section 82 *et seq.* of the Business Corporations Act **are contained in the Annual Report**, and are submitted to the General Meeting, respectively to the Company's shareholders, for acknowledgement through this Annual Report.

The Board of Directors also arranged for the preparation of the ordinary financial statements of the Company for the 2020 calendar year accounting period and of the ordinary consolidated financial statements of the Company for the 2020 calendar year accounting period, and for the verification of these financial statements by an auditor, all in accordance with the relevant legal and accounting regulations which require the preparation of the said documents. The Board of Directors submits the aforementioned documents, which also form part of the 2020 Annual Report, published in a manner allowing for remote access on the aforementioned website, to the General Meeting, respectively to the Company's shareholders. The main data of the ordinary financial statements of the Company for the 2020 calendar year accounting period and main data of the ordinary consolidated

financial statements of the Company for the 2020 calendar year accounting period form integral parts of these draft decisions and are attached as Schedule 2 to these draft decisions.

The Company's economic result for the 2020 calendar year accounting period is a profit of CZK 3,460,543,741.99.

2. The Supervisory Board Report

This point is not put to the vote and no decision is taken thereon. For the sake of completeness and the established practice of the Company and for the purpose of properly informing the Company's shareholders and acquainting them with the results of the supervisory activities performed by the Supervisory Board of the Company, the Board of Directors of the Company submits its statement on this point.

Statement of the Company's Board of Directors:

During the entire calendar year 2020, the Supervisory Board monitored and evaluated the development and management of the Company's business, and in particular the Company's financial position and activities in this area. As part of its supervisory activities, the Supervisory Board also closely cooperated with another Company body, the Audit Committee of the Company, in all matters falling within the scope of these two bodies, including the appointment of the statutory auditor. Based on its findings, the Supervisory Board prepared a report on the results of its activities in the 2020 calendar year accounting period (the "**Supervisory Board Report**") in accordance with the applicable legal regulations and the Company's Articles of Association and submits it to the General Meeting, respectively to the Company's shareholders, for acknowledgement. The Supervisory Board Report is published in a manner allowing for remote access on the following website: <http://www.philipmorris.cz>, in section titled "For shareholders". In its report, the Supervisory Board states that it has not ascertained any failings and that it has no objections regarding the business activities, operation and activities of the Company or its bodies that are subject to supervision by the Supervisory Board.

The Supervisory Board also reviewed, in accordance with the applicable legal regulations, the Report on Relations for the year 2020, the 2020 ordinary financial statements, the 2020 ordinary consolidated financial statements, including the proposals of the Board of Directors for their approval, and the proposal for the distribution of profit for the year 2020, including an indication of the amount of profit shares. The Supervisory Board submits its statements on the aforementioned documents to the General Meeting, respectively to Company's shareholders, in accordance with the requirement set out in Section 83 (1) and Section 447 (3) of the Business Corporations Act through the Supervisory Board Report. The Board of Directors declares that the

Supervisory Board did not raise any objections to the aforementioned documents. In the opinion of the Supervisory Board, the aforementioned documents have been prepared duly and in accordance with the relevant legal regulations and the Company's Articles of Association.

3. Approval of 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

3.1. *"The ordinary financial statements of the Company for the 2020 calendar year accounting period are hereby approved."*

3.2. *"The ordinary consolidated financial statements of the Company for the 2020 calendar year accounting period are hereby approved."*

3.3. *"From the Company's after tax profit for the 2020 calendar year accounting period in the amount of CZK 3,460,543,741.99, a part in the amount of CZK 3,459,186,360.00 will be paid to the Company's shareholders as profit shares. The remaining part of the profit in the amount of CZK 1,357,381.99 will be transferred to the Company's retained earnings account from prior years. The retained earnings of the Company from prior years in the amount of CZK 2,896,634.84 remained undistributed. A gross profit share of CZK 1,260 will thus be associated with each share of the Company with a nominal value of CZK 1,000, with the total number of these shares being 2,745,386. The date decisive for exercising profit share rights is 8 April 2021; this means that the profit shares will be paid to the shareholders holding shares of the Company as at 8 April 2021."*

The shareholders will be paid their profit shares through 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.

*Profit shares will be paid to the 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 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 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.*

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.

*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 is 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 this 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 fact that its beneficial owner had not registered 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 of documents for payments:
8430 Back Office for Investment Products
Budějovická 1518/13b*

Reasoning:

The discussion on and approval of the ordinary financial statements and ordinary consolidated financial statements is based on the requirements set out in the Business Corporations Act and the Company’s Articles of Association. The Company has an obligation to prepare the aforementioned documents annually and the Board of Directors submits the documents for approval to the General Meeting of the Company in accordance with the Business Corporations Act. The ordinary financial statements and ordinary consolidated financial statements give a true and fair picture of the affairs and transfers of property and other assets, liabilities and other liability items, expenses and earnings, and economic results of the Company and the consolidated unit of the Company. Both the ordinary financial statements and ordinary consolidated financial statements have been approved by the Company’s auditor without any objections and reviewed by the Supervisory Board, which did not find any deficiencies and, therefore, recommends them to the General Meeting for approval (see the Supervisory Board Report under point 2 of this document).

The decision-making on the distribution of the Company’s profit lies with the Company’s General Meeting pursuant to the Business Corporations Act and the Company’s Articles of Association. A share in profit is determined on the basis of the ordinary financial statements approved by the Company’s General Meeting. The Board of Directors proposes to distribute the profit for the year 2020 in the amount which corresponds to the requirements of the Business Corporations Act and the Company’s Articles of Association. The amount of the profit to be distributed is stated in the draft decisions. This draft specifies the amount of the profit share per each share as well as other information for the payment of the profit shares, i.e. the date decisive for exercising profit share rights. In the view of the Board of Directors, the proposed payment reflects the achieved economic results, financial possibilities and needs of the Company; in particular, the exercise of the shareholder rights to the payment of the proposed amount shall not limit any current or intended future activities of the Company. The Supervisory Board has reviewed the Board of Directors’ proposal and recommends it to the General Meeting for approval (see the Supervisory Board Report under point 2 of this document). The proposal for the distribution of the Company’s profit generated in 2020, including a schedule of payments of the shareholders’ shares in the Company’s profit and the period of such payments and information on the financial institution which will make the payments of the profit shares, forms an integral part of these draft decisions and is attached as Schedule 3 to these draft decisions.

The requirement to enter the beneficial owner in the Czech Beneficial Owner Register, in the case of a shareholder who is obliged to arrange for that entry, as a condition for payment of a share in profit reflects

the provisions of Act No. 37/2021 Coll., on Register of Beneficial Owners, as amended.

4. Approval of the 2020 Remuneration Report

Draft decision:

- 4.1. *“The 2020 Remuneration Report in the wording submitted by the Board of Directors of the Company is hereby approved.”*

Reasoning:

In accordance with Section 121o of the Capital Market Undertakings Act, the Company has prepared a report on remuneration of members of the Board of Directors and the Supervisory Board of the Company for the 2020 calendar year accounting period, which provides a complete overview of the remuneration provided or payable during the 2020 calendar year accounting period to the members of the Board of Directors and the Supervisory Board directly by the Company or by any company from the Philip Morris Group. In accordance with the requirement of Section 121o (3) of the Capital Market Undertakings Act, the Board of Directors submits the 2020 Remuneration Report to the General Meeting, respectively to the shareholders, for approval.

The remuneration report serves to inform the shareholders about the remuneration actually paid to the members of the Board of Directors and the Supervisory Board. In order to ensure transparency, the wording of the remuneration report submitted by the Board of Directors to the General Meeting, respectively to the shareholders, for approval is published in a manner allowing for remote access at the following website: <http://www.philipmorris.cz>, in section titled "For shareholders". The 2020 Remuneration Report will also be available for view to each shareholder free of charge at the registered office of the Company, i.e. in Kutná Hora, Vítězná 1, postcode 284 03, from 2 p.m. to 5 p.m. on business days between 30 March 2021 and 21 May 2021. Any shareholder is entitled to request the sending of a copy of the remuneration report at that shareholder's own expense and risk.

The 2020 Remuneration Report forms an integral part of these draft decisions and is attached as Schedule 4 to these draft decisions.

5. Election of Mr. Petr Šedivec to the office of a member of the Board of Directors

Draft decisions:

- 5.1. *“Mr. Petr Šedivec, born on 6 May 1977, residing at V Lukách 2163, Rakovník II, 269 01 Rakovník, is elected as a member of the Board of Directors of the Company.”*

Reasoning:

The proposed member of the Board of Directors is to be elected following his expiring term of office and is re-nominated for election as a member of the Board of Directors. The current term of office of the member of the Board of Directors will end on 27 April 2021.

The proposed member of the Board of Directors meets the requirements arising from the Business Corporations Act concerning the performance of office by a member of the Board of Directors. In view of his experience and qualifications, the proposed member of the Board of Directors is a suitable candidate for the office of a member of the Board of Directors.

As the General Meeting of the Company will not be held and the decision-making process will be performed in accordance with Section 418 of the Business Corporations Act, in conjunction with Section 19 (1) of Lex Covid, outside the General Meeting of the Company (*per rollam*), the Board of Directors of the Company proposes that the decision on the election of the aforementioned member of the Board of Directors of the Company be adopted outside the General Meeting of the Company.

As the election of Mr. Petr Šedivec as a member of the Board of Directors will constitute his re-election for the next immediately following term of office, no new agreement on the performance of the office of a member of the Board of Directors will be concluded between the Company and the member of the Board of Directors, as the previously concluded agreement on the performance of the office will also remain valid and effective for the duration of the office of the member of the Board of Directors in his next term of office.

6. Election of Ms. Alena Zemplerová and Ms. Stanislava Juríková to the office of members of the Supervisory Board

Draft decision:

- 6.1. *“Alena Zemplerová, born on 9 October 1952, residing in Újezd 426/26, Malá Strana, 118 00 Prague 1, is elected as a member of the Supervisory Board of the Company.”*
- 6.2. *“Stanislava Juríková, born on 12 December 1973, residing at Vlnitá 583/42, Braník, 147 00 Prague 4, is elected as a member of the Supervisory Board of the Company.”*

Reasoning:

Both proposed members of the Supervisory Board are to be elected following their expiring terms of office and are re-nominated for election as members of the Supervisory Board. The current term of office of both members of the Supervisory Board will end on 27 April 2021.

The proposed members of the Supervisory Board meet the requirements arising from the Business Corporations Act concerning the performance of office by members of the Supervisory Board. In view of their experience and qualifications, the proposed members of the Supervisory Board are therefore suitable candidates for the aforementioned offices of members of the Supervisory Board.

As the General Meeting of the Company will not be held and the decision-making process will be performed in accordance with Section 418 of the Business Corporations Act, in conjunction with Section 19 (1) of Lex Covid, outside the General Meeting of the Company (*per rollam*), the Board of Directors of the Company proposes that the decision on the election of the aforementioned members of the Supervisory Board of the Company be adopted outside the General Meeting of the Company.

As the election of both Ms. Alena Zemplerová and Ms. Stanislava Juríková as members of the Supervisory Board constitutes their re-election for the next immediately following terms of office, no new agreements on the performance of the office of as a member of the Supervisory Board will be concluded between the Company and the said members of the Supervisory Board, as the previously concluded agreements on the performance of the office will also remain valid and effective for the duration of the offices of the members of the Supervisory Board in their next terms of office.

7. Election of Ms. Stanislava Juríková and Mr. Johannis van Capelleveen to the office of members of the Audit Committee

Draft decision:

- 7.1. *“Stanislava Juríková, born on 12 December 1973, residing at Vlnitá 583/42, Braník, 147 00 Prague 4, is elected as a member of the Audit Committee of the Company.”*
- 7.2. *“Mr. Johannis van Capelleveen, born on 10 December 1965, residing at Plzeňská 388, 252 63 Roztoky, is elected as a member of the Audit Committee of the Company.”*

Reasoning:

Both proposed members of the Audit Committee are to be elected following their expiring terms of office and are re-nominated for election as members of the Audit Committee. The current term of office of both members of the Audit Committee will end on 27 April 2021.

The proposed members of the Audit Committee meet the requirements arising from the Act on Auditors and the Company's Articles of Association. In view of their experience and qualifications, the proposed members of the Audit Committee are suitable candidates for the aforementioned office in the Audit Committee.

As the General Meeting of the Company will not be held and the decision-making process will be performed in accordance with Section 418 of the Business Corporations Act, in conjunction with Section 19 (1) of Lex Covid, outside the General Meeting of the Company (*per rollam*), the Board of Directors of the Company proposes that the decision on the election of the aforementioned members of the Audit Committee of the Company be adopted outside the General Meeting of the Company.

As the election of both Ms Stanislava Juríková and Mr Johannis van Capelleveen as members of the Audit Committee constitutes their re-election for the next immediately following terms of office, no new agreements on the performance of the office of as a member of the Audit Committee will be concluded between the Company and the said members of the Audit Committee, as the previously concluded agreements on the performance of the office will also remain valid and effective for the duration of the offices of the members of the Audit Committee in their next terms of office.

8. Appointment of the Company's auditor

Draft decision:

- 8.1. *“Mazars Audit, s.r.o., whose registered office is at Pobřežní 620/3, Karlín, 186 00 Prague 8, Czech Republic, identification number: 639 86 884, registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, File 38404, is appointed as the auditor of the Company for the 2021 calendar year accounting period.”*

Reasoning:

The authority to appoint the Company's auditor lies with the General Meeting of the Company in accordance with the Act on Auditors and the Company's Articles of Association. The new statutory auditor of the Company is proposed instead of the current auditor of the Company, PricewaterhouseCoopers Audit, s.r.o., with regard to the regulation of the maximum period of an auditor engagement and requirements concerning the mandatory rotation of audit firms in order to ensure and strengthen the independence of the appointed auditor, in accordance with Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (hereinafter referred to as the “Regulation on requirements regarding statutory audit of public-interest entities”).

The proposed auditor is a company with sufficient capacity, expertise and many years of audit experience, providing assurance of independence in performing the audit engagement, and it therefore meets the statutory requirements for the appointment as auditor. The proposed auditor was recommended by the Audit Committee to the

Supervisory Board, which has proposed this auditor to the General Meeting. The recommendation of the Audit Committee was granted in accordance with the provisions of the Regulation on specific requirements regarding statutory audit of public-interest entities. The recommendation of the Audit Committee was not subject to influence of any third party and is not subject to any arrangement between the Company and any third party that would restrict the selection of the statutory auditor.

The proposed auditor has also knowledge of the Company's needs and operation and, in view of its experience and qualifications, it is a suitable candidate to be appointed as the auditor of the Company for the year 2021.

9. Amendment of the Company's Articles of Association

The draft decision on the amendment of the Company's Articles of Association, including its reasoning, is prepared in the form of a notarial record in accordance with Section 419 (2) of the Business Corporations Act, with a copy of the relevant Notarial Record NZ 50/2021 N 60/2021 of 16 March 2021 being attached as Schedule 5 to these draft decisions and an electronic copy of the relevant Notarial Record NZ 50/2021 N 60/2021 of 16 March 2021 being also published in a manner allowing for remote access on the following website: <http://www.philipmorris.cz>, in section titled "For shareholders". The draft of the amendments of the Company's Articles of Association (with marked amendments) is attached as Schedule 6 to these draft decisions, and the draft of the new full wording of the Company's Articles of Association with the marked amendments (the underlined text is proposed to be inserted, the crossed-out text is proposed to be deleted) is published in a manner allowing for remote access on the following website: <http://www.philipmorris.cz>, in section titled "For shareholders". This draft decision is numbered as draft decision 9.1 to point 9 of the decision-making order in the voting form.

The draft of the new full wording of the Company's Articles of Association prepared in the form of Notarial Record NZ 50/2021 N 60/2021 of 16 March 2021, as well as the draft of the new full wording of the Company's Articles of Association with the marked amendments, will also be available for view to each and every shareholder for free at the Company's registered office, i.e. in Kutná Hora, at Vítězná 1, postcode 284 03, from 2 p.m. to 5 p.m. on business days between 30 March 2021 and 21 May 2021. Each shareholder has the right to request the sending of a copy of the draft of the Articles of Association at that shareholder's own cost and risk.

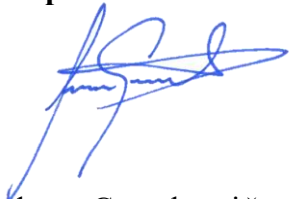
The Board of Directors hereby requests the shareholders to provide their opinions on the aforementioned draft decisions by each of them filling in the voting form for the shareholder's opinion on the draft decisions,

which forms an integral part of these draft decisions and is attached as Schedule 7 to these draft decisions, and delivering the filled voting form to the Company in accordance with the instruction for the *per rollam* decision-making, which form an integral part of these draft decisions and are attached as Schedule 1.

The filled voting forms must be delivered to the Company no later than on 21 May 2021. Completed Voting Forms that are sent but not delivered to the Company within the set period (i.e. by 21 May 2021) will not be taken into account. If a shareholder does not deliver that shareholder's consent to, or its opinion on, the draft decisions within the set period (i.e. by 21 May 2021), in accordance with Section 419 (1) of the Business Corporations Act, it means that the shareholder does not agree with the draft decisions. The Company's shareholders will be informed of the results of the voting by the Company's shareholders outside the meeting of the General Meeting of the Company in accordance with legal regulations on 28 May 2021.

In 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

SCHEDULE 1

Instructions for the Performance of the *Per Rollam* Decision-Making



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**”),

hereby 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 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, as amended (“**Lex Covid**”),

sets out these

instructions for the decision-making by the General Meeting of the Company outside the meeting (“*per rollam*”) (the “*Per Rollam* Instructions**”)**

Article 1

Basic Provisions

1. These *Per Rollam* Instructions, in conjunction with the Business Corporations Act and Lex Covid, regulate the rules for proving the authorisation of the General Meeting of the Company to make decisions outside the meeting (the “***per rollam* decision-making**”), the method of exercising shareholders’ rights and the voting rules within the *per rollam* decision-making, including rules for the delivery of documents.
2. 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 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*. A decision taken *per rollam* is a decision of the General Meeting as the supreme body of the Company, taken outside the General Meeting.
3. For the purposes of these *Per Rollam* Instructions, the term “shareholder” also includes any representative (proxy) of the shareholder, unless stipulated otherwise below or unless the meaning of the particular provision requires otherwise.
4. If these *Per Rollam* Instructions are not complied with in the exercise of shareholder rights, the legal acts of the shareholders will not be taken into account, unless stipulated otherwise below. If, in exercising the right to vote, the non-compliance with the instructions only relates to one of the draft decisions, the legal

acts of the particular shareholder will not be taken into account in relation to the relevant point regarding which the shareholder did not comply with the *Per Rollam* Instructions.

5. Unless stipulated otherwise below, the timing of the *per rollam* decision-making is specified in the timetable of the *per rollam* decision-making which forms part of the information of the Board of Directors on its decision to perform the decision-making of the General Meeting outside the meeting ("*per rollam*"), which is published in a manner allowing for remote access on the following website: <http://www.philipmorris.cz>, in section titled "For shareholders" (the "**Website**"). Terms related to the timing of the *per rollam* decision-making used in these *Per Rollam* Instructions have the same meaning as defined in the aforementioned timetable.

Article 2

Organisation of the *Per Rollam* Decision-Making

1. The organiser of the *per rollam* decision-making is ADMINISTER, spol. s r.o., whose registered office is at Husova 109/19, Kutná Hora – Vnitřní Město, 28401 Kutná Hora, identification number 47551054 (the "**Organiser**"). The Organiser arranges for the Company the receipt and sending of documents, counting of votes, and evaluation of the *per rollam* decision-making.
2. Any person who is a shareholder of the Company as at the date decisive for the *per rollam* decision-making (the "**Decisive Date**") has the right to participate in the *per rollam* decision-making and exercise shareholder rights. In the case of the Company's book-entered shares, the shareholder entitled to exercise voting and other shareholder rights, directly or by proxy, is 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. In the case of the Company's certificated shares, the shareholder entitled to exercise voting and other shareholder rights, directly or by proxy, is any shareholder listed in the List of Shareholders of the Company as at the Decisive Date (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). An extract from the Register of Book-Entered Securities and from the List of Shareholders will be provided by the Company.
3. The form to exercise the voting rights (the "**Voting Form**") will be sent to persons who are shareholders as at the Decisive Date via a mail service provider together with draft decisions and other background documents for the *per rollam* decision-making (the "**Draft Decisions**") to the addresses specified in the Register of Book-Entered Securities or in the List of Shareholders. The background documents for the *per rollam* decision-making are published on the Website, where they will be available to the shareholders throughout the period of the *per rollam* decision-making. If a shareholder is represented in the exercise of that shareholder's rights associated with the book-entered shares by a 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 in accordance with Article 3 (7) of these *Per Rollam* Instructions, the Voting Form shall also be sent, including the Draft Decisions and other background documents for the *per rollam* decision-making, to the relevant representative (proxy) to the address specified in the respective register.

Article 3

Proving the Authorisation to Perform the *Per Rollam* Decision-Making

1. A shareholder – individual who was a shareholder of the Company as at the Decisive Date proves that shareholder's authorisation to perform the *per rollam* decision-making by means of an officially verified signature on the Voting Form. If a shareholder is represented by a proxy, the proxy is obliged to attach to the Voting Form a written power of attorney to represent the shareholder in the exercise of that shareholder's voting and other shareholder rights within the *per rollam* decision-making (the "**Power of Attorney**") with an officially verified signature of the proxy, unless stipulated otherwise below. If a Voting Form or a Power of Attorney is signed before foreign authorities or institutions, or if verification clauses of any foreign authorities or institutions are attached to a Voting Form or a Power of Attorney, an apostille or any other clause or verification required in official communication by the Czech authorities in the case of similar foreign documents must be attached to those documents. If a Power of Attorney or any of the said clauses or 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.

2. In the case of a shareholder – legal entity who was a shareholder of the Company as at the Decisive Date, the person authorised to act on behalf of the shareholder proves that person's authorisation by that person's officially verified signature on the Voting Form and by the original or an officially verified copy of the up-to-date extract related to that entity from the Commercial Register or any other relevant register (not older than 3 months) proving the existence of the legal entity and certifying that person's right to act on behalf of the legal entity. If the shareholder is represented by a proxy, the proxy is obliged to attach to the Voting Form a written Power of Attorney with an officially verified signature of the proxy – the person representing the principal, unless stipulated otherwise below. If a Voting Form, a Power of Attorney or an extract from the Commercial Register or any other relevant register is signed before or made by foreign authorities or institutions, or if verification clauses of any foreign authorities or institutions are attached to a Voting Form, a Power of Attorney or an extract, an apostille or any other clause or verification required in official communication by the Czech authorities in the case of similar foreign documents must be attached to those documents. If any of the aforementioned documents, clauses or 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.
3. An officially verified signature on the Voting Form can be replaced by an electronic signature in certain pre-defined cases. Electronic signature means a recognised electronic signature within the meaning of Act No. 297/2016 Coll., on Services Creating Trust in Electronic Transactions, i.e. a guaranteed electronic signature based on a qualified certificate for electronic signature or qualified electronic signature (the **"electronic signature"**).
4. To grant a written Power of Attorney, shareholders may also use a form which is published on the Company's Website and 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.
5. Any communications concerning the granting of any Powers of Attorney as well as of their revocations by the relevant principal(s) may only be delivered to the Company in writing, by any of the delivery methods set out in the rules for the delivery of documents pursuant to Article 6 of these *Per Rollam* Instructions and with any formal requirements stipulated therein (including the authorised conversion). For the purpose of seamless processing, it is requested that the relevant matter be properly identified in the subject of the relevant message, namely as a "*Per Rollam* Power of Attorney". If any such notification does not allow the Company to assess the compliance of the Power of Attorney with statutory requirements or to unambiguously identify the signatory (especially if no electronic signature as defined above) is attached to the Power of Attorney), the Company is entitled to request additional information to verify the particular shareholder's representation.
6. Shareholders may also be represented in the exercise of rights associated with shares issued as book-entered securities by a 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. Instead of a Power of Attorney, such a person proves that person's identity with an extract from the Register of Investment Instruments or an extract from the Register of Book-Entered Securities; this is not necessary if the Company obtains a statement by itself from such register for the purposes of exercising the rights attached to the shares. The aforementioned extract must indicate the authorisation of the relevant person to represent and exercise the rights of the shareholder.
7. The rules governing representation (or the exercise of shareholder rights) by an administrator or a person authorised to exercise rights associated with shares on behalf of a shareholder contained in paragraph 6 of this article will not apply if the Company is delivered, in a manner and to the addresses specified in Article 6 (2) of these *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.

Article 4

Manner of Exercising Shareholders' Rights

1. Each shareholder exercises that shareholder's rights in person or by proxy, unless legal regulations stipulate otherwise. Each shareholder is therefore entitled, in accordance with legal regulations, to participate in the *per rollam* decision-making and to vote, and has the right to request and receive from the Company explanations of matters concerning the Company or its controlled persons, if such

explanations are necessary for the assessment of matters included in the *per rollam* decision-making or for the exercise of shareholder rights related thereto. The raising of proposals and counter-proposals by a shareholder is not permitted, except for the rights of a qualified shareholder under Article 9 of these *Per Rollam* Instructions. Shareholder rights are only exercised in writing.

Article 5

Rules for Voting within the *Per Rollam* Decision-Making

1. The registered capital of the Company amounts to CZK 2,745,386,000 (in words: two billion seven hundred and forty-five million three hundred and eighty-six thousand Czech crowns). 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.
2. 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 Article 6 of these *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 proxies 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 via a mail service provider 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 can be used for voting. It is necessary to print out the Voting Form published on the Website and complete it.
3. Voting begins on the day on which the Draft Decisions are sent to the shareholders. As of the day on which the Draft Decisions are sent, the Voting Forms will also be published on the Website. 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.
4. 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 rules for the delivery of documents set out in Article 6 of these *Per Rollam* Instructions. In order for the Voting Form to be taken into account, it must be delivered within the period for the delivery of the shareholder's *per rollam* opinion on the Draft Decisions (the "**Voting Period**"). If a shareholder does not deliver the completed Voting Form within the Voting Period, it means that the shareholder does not agree with all Draft Decisions. If a shareholder does not wish to participate in the *per rollam* decision-making, that shareholder does not need to complete the Voting Form and send it to the Company. This means then that the shareholder does not agree with the Draft Decisions.
5. Each shareholder shall state the following information on the Voting Form:
 - a. that shareholder's name, surname, date of birth and residence address, if the shareholder is an individual, or that shareholder's trade or business name, registered office, identification number (and in the case of foreign entities a similar registration number, if assigned) and details of its acting person (if a legal entity);
 - b. the number of shares with which the shareholder participates in the voting. If the number of shares is not specified in the Voting Form or if the number of shares is higher than that resulting from the Register of Book-Entered Securities or the List of Shareholders as at the Decisive Date, the shareholder will participate in the *per rollam* decision-making to the extent of the shares specified in the Register of Book-Entered Securities or the List of Shareholders as at the Decisive Date. If a lower number of shares is specified in the Voting Form than that resulting from the Register of Book-Entered Securities or the List of Shareholders as at the Decisive Date, the shareholder will participate in the *per rollam* decision-making to the extent of that lower number of shares specified in the Voting Form;
 - c. marking one of the "IN FAVOUR" or "AGAINST" options with a cross at the relevant point of the respective Draft Decision, or not marking either of these two options. The shareholder's consent is

expressed by marking the option “IN FAVOUR”, and the shareholder’s dissent is expressed by marking the option “AGAINST” or by not marking either of the two options. If the shareholder does not agree with the content of all Draft Decisions, that shareholder does not need to complete the Voting Form and send it to the Company. This means then that the shareholder does not agree with the Draft Decisions;

- d. a handwritten signature of the shareholder, either with official verification or in the form of an electronic signature in accordance with the rules for the delivery of documents pursuant to Article 6 of these *Per Rollam* Instructions. In accordance with Article 6 (2) (b) of these *Per Rollam* Instructions, the official verification of a signature on the Voting Form is not required if the Voting Form is sent via a data box.
6. The shareholder is not entitled to change the Voting Form in any manner or otherwise interfere with it, with the exception of stating on it that the amendment constitutes a change or revocation of a vote cast earlier pursuant to paragraphs 8 and 9 of this article. If the text in the Voting Form is changed, crossed out or rewritten by the shareholder, the Voting Form will be invalid in the particular point or points of voting so amended and that shareholder’s vote on the particular point or points will not be taken into account. If the shareholder’s will is not clearly apparent from the Voting Form, i.e. if it is not clearly apparent from the Voting Form whether the shareholder has marked the option “IN FAVOUR” or “AGAINST”, or if the shareholder has not indicated either of the options (e.g. both options are selected or the vote is confusing for any other reason), the Voting Form will be invalid in this point and the vote on this point will not be taken into account.
7. Manifestations of will of shareholders that are not expressed in the Voting Form issued by the Company are invalid and will not be taken into account. Voting Forms that are torn are also invalid. Damage to or folding of the Voting Form does not affect its validity if the voting information is clearly shown in the Voting Form. The vote is invalid if several Voting Forms are contained in one envelope, with the exception of split voting (as defined below).
8. The shareholder has the right to revoke or change that shareholder’s vote that has already been cast, in writing on a new Voting Form delivered to the Company in accordance with the rules for the delivery of documents set out in Article 6 of these *Per Rollam* Instructions. In order for the new Voting Form to be taken into account, it must be delivered to the Company within the Voting Period. New Voting Forms received after this period will not be taken into account. On the new Voting Form, the shareholder will express that shareholder’s will by marking one of the options “IN FAVOUR” or “AGAINST” with a cross at the relevant point of the respective Draft Decision or by not marking either of the two options. If the shareholder does not mark either of the two options, it means that the shareholder does not agree with the Draft Decisions. The voting rules set out above will apply *mutatis mutandis*.
9. 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. If a shareholder wishes to exercise the voting rights associated with a part of that shareholder’s shares only (the “**split voting**”), that shareholder will specify in the Voting Form the number of that shareholder’s shares with which that shareholder is voting. For split voting, a shareholder may use several Voting Forms available on the Website and may send them to the Company in one envelope. If the sum of shares specified in all Voting Forms exceeds the number of shares of that shareholder as stated in the relevant register as at the Decisive Date, none of the Voting Forms will be taken into account. The possibility of revocation and change will apply *mutatis mutandis* to the split voting pursuant to Article 5 (8) of these *Per Rollam* Instructions. The split voting option will be first exercised when the original split voting results (before any change or revocation thereof) are delivered to the Company. If the sum of the shares specified in the new Voting Forms exceeds the number of the shares as listed in the relevant register as at the Decisive Date, no Voting Form will be taken into account. In order for the new Voting Form (new Voting Forms) to be taken into account, it (they) must be delivered to the Company within the Voting Period. New Voting Forms received after this period will not be taken into account. It must be clear from the new Voting Form that this is a revocation or change of vote.
10. The signature on the Voting Form must be officially verified. If the Voting Form is signed before foreign authorities or institutions or if verification clauses of any foreign authorities or institutions are attached to it, an apostille or any other clause or verification in accordance with Article 3 of these *Per Rollam* Instructions must be attached to it. The Voting Form becomes complete when an apostille or any other clause (if required) is attached. If the signature on the Voting Form is not officially verified or if no apostille or any other clause is attached to it, the Voting Form will be considered invalid and will not be taken into account. Likewise, those Voting Forms will not be taken into account to which no documents proving the authorisation to perform the *per rollam* decision-making in accordance with Article 3 of these *Per Rollam*

Instructions are attached, i.e. a Power of Attorney in the case of a shareholder's proxy, or an extract from the Commercial Register or any other relevant register in the case of a shareholder – legal entity. Article 5 (5) (d) of these *Per Rollam* Instructions will also apply to the official verification of a signature on the Voting Form.

Article 6

Rules for the Delivery of Documents

1. A shareholder's vote is effective *vis-à-vis* the Company upon the timely delivery of the Voting Form meeting the specified formal requirements, including the documents proving the shareholder's authorisation to perform the *per rollam* decision-making in accordance with Article 3 of these *Per Rollam* Instructions. Only a Voting Form with the relevant documents attached constitutes a complete Voting Form. No incomplete or late Voting Forms will be taken into account. If a shareholder does not submit that shareholder's consent to the Draft Decision(s) within the Voting Period, this means that the shareholder does not agree with the Draft Decision(s).
2. The complete Voting Form can be delivered to the Company in writing in the following manners:
 - a. by sending the Voting Form, including all attachments, via a mail service provider to the address of the Organiser, ADMINISTRER, spol. s r.o., i.e. located at Husova 109/19, Kutná Hora – Vnitřní Město, 28401 Kutná Hora;
 - b. by sending the Voting Form, including all attachments, to the Organiser's data box, whose address (ID) is: j3sjbnj. The signature on the Voting Form does not need to be officially verified in the case of the sending via the data box. All other attachments (e.g. Powers of Attorney, extracts from the Commercial Register) sent via the data box must be converted by means of the authorised document conversion that is provided, *inter alia*, by the contact points of the Czech Point public administration;
 - c. by sending the Voting Form, including all attachments, to the following e-mail address: philipmorriscr@per-rollam.cz, in any of the following manners:
 - i. by e-mail without an electronic signature: the Voting Form including the official verification of the signature must be converted by means of the authorised document conversion that is provided, *inter alia*, by the contact points of the Czech Point public administration;
 - ii. by e-mail with an electronic signature: in such a case, the official verification of the signature on the Voting Form can be replaced by an electronic signature attached to a pdf form that has been signed with a handwritten signature. All other attachments (e.g. Powers of Attorney, extracts from the Commercial Register) sent by e-mail with an electronic signature must be converted by means of the authorised document conversion that is provided, *inter alia*, by the contact points of the Czech Point public administration.
3. For the avoidance of doubt, Voting Forms including any attachments, as well as any other documents delivered in any of the above manners to the addresses listed above in paragraph 2 of this article, will be deemed to have been delivered to the Company.

Article 7

Evaluation of the Vote and Announcement of the Decision Adopted *Per Rollam*

1. The vote or, more precisely, the *per rollam* decision-making, 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. The shareholders of the Company will be informed of the results of the *per rollam* decision-making in accordance with the relevant legal regulations.

Article 8

Right to Explanation(s)

1. The shareholders may only submit their requests for explanations in writing in accordance with the rules for the delivery of documents set out in Article 6 of these *Per Rollam* Instructions. In addition to submitting a request pursuant to the rules for the delivery of documents in accordance with Article 6 of these *Per Rollam* Instructions, a request for explanation may also be submitted electronically by sending it to the following e-mail address: philipmorris.cz@pmi.com. Requests for explanations may be submitted from

the date of publication of the information of the Board of Directors on the *per rollam* decision-making on the Website until the end of the Voting Period.

2. 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 completion 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.
3. An explanation can be provided in the form of a summary answer to several questions of similar content. The explanation will also be published 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 day 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.
4. 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.
5. 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, 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 voting *Per rollam*, 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.

Article 9

Rights of a Qualified Shareholder

1. 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.

SCHEDULE 2

Main Data of the Ordinary Financial Statements of the Company for the 2020 Calendar Year Accounting Period and Main Data of the Ordinary Consolidated Financial Statements of the Company for the 2020 Calendar Year Accounting Period

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:	7,106
Total assets:	16,177	Total equity and liabilities:	16,177

SCHEDULE 3

Proposal for the Distribution of Profit for the Year 2020 (in CZK)

Profit after tax for the year 2020	3,460,543,741.99
Profit shares 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

The profit shares will be paid to shareholders holding shares of the Company as at 8 April 2021.

The proposed gross amount of a profit share per share is CZK 1,260, with a total number of the shares being 2,745,386.

Distribution of profit shares to **individuals** will be performed through 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.

Profit shares will be paid to the 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 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 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.

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 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.

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 this 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 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 delivery of documents for payments:

8430 Back Office for Investment Products

Budějovická 1518/13b

140 00 Prague 4

SCHEDULE 4

2020 Remuneration Report

REMUNERATION REPORT of Philip Morris ČR a.s. for the accounting period from 1 January 2020 to 31 December 2020

The remuneration report prepared by Philip Morris ČR a.s., with its registered office at Vítězná 1, Kutná Hora, postcode 248 03, identification number: 14803534, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Insert 627 (hereinafter referred to as "PMCR" or the "Company") provides a complete overview of the remuneration and benefits in any form provided or payable during the accounting period from 1 January 2020 to 31 December 2020 to the persons referred to in Section 121m (1) of Act No. 256/2004 Coll., on Capital Market Undertakings, as amended (hereinafter referred to as the "Capital Market Undertakings Act") (hereinafter referred to as "Persons with Significant Relationship to the Company")

The following persons are the Persons with Significant Relationship to the Company:

Members of the Board of Directors of the Company:

- Andrea Gontkovičová, Chairperson of the Board of Directors
- Petr Šedivec, Member of the Board of Directors
- Peter Piroch, Member of the Board of Directors
- Piotr Andrzej Cerek, Member of the Board of Directors
- Petr Šebek, Member of the Board of Directors
- Tomáš Korkoš, Member of the Board of Directors until 20 January 2020

Members of the Supervisory Board of the Company:

- Stefan Bauer, Chairperson of the Supervisory Board
- Prof. Alena Zemplerová, Member of the Supervisory Board
- Stanislava Juríková, Member of the Supervisory Board
- Sergio Colarusso, Member of the Supervisory Board
- Tomáš Hilgard, Member of the Supervisory Board
- Richard Vašíček, Member of the Supervisory Board

I

Information on the total amount of remuneration (Section 121p (1) (a) of the Capital Market Undertakings Act)

Information on all remuneration provided by the Company to the Persons with Significant Relationship to the Company or payable in the accounting period from 1 January 2020 to 31 December 2020:

The total amount of remuneration and its individual components correspond to the remuneration policy which was approved on the basis of the decision-making of the General Meeting of the Company outside the meeting (*per rollam*) as at 30 June 2020 and which is published on the Company's website: <http://www.philipmorris.cz> in the section "For Shareholders" ("Remuneration Policy"). The total amount of remuneration is determined in accordance with the Company's long-term interests, i.e. with the Company's business strategy and other values, and reflects the requirements of the law as well as the principles of good corporate governance. It also supports the Company's long-term performance, in particular by emphasising sustainability and effective risk management and taking into account shareholder requirements regarding the growth in the value of the Company's shares and the achievement of business results that are economically favourable for the Company.

This requirement is primarily reflected in the variable component of the remuneration of the Persons with Significant Relationship to the Company, where the amount of the remuneration received by these persons is derived from the economic results achieved by Philip Morris International Inc. or its controlled companies, with the exception of PMCR (hereinafter referred to as the “PMI” or “PMI Group”), and the Company. The variable component of remuneration also depends on the performance and fulfilment of objectives of the relevant Persons with Significant Relationship to the Company, and serves primarily to acquire, maintain and motivate these persons. The fixed component of remuneration is determined primarily on the basis of professional experience and responsibility of the Persons with Significant Relationship to the Company.

Performance criteria that apply to the assessment of the set Company’s objectives have also been reflected in the total remuneration amount. The criteria for assessing the set objectives are

- quantitative: the achievement of operating profit, cash flows, sales volume and market share) and
- qualitative: portfolio management, innovative approach, compliance with internal rules and procedures, diversity and management skills development).

The above criteria are set in accordance with the Company’s long-term interests, business strategy and other values. Their fulfilment has a direct impact on the Company’s economic results and thus contributes to the growth of the Company’s value. Each of these criteria has been assessed individually, and subsequently all criteria have been assessed in the aggregate, in accordance with the Remuneration Policy, and are reflected in the same way in the variable component of all Persons with Significant Relationship to the Company.

The fixed component of the remuneration:

1) The fixed component includes, in the case of the Persons with Significant Relationship to the Company who are employees of Philip Morris International Inc. or its controlled companies, with the exception of PMCR:

(i) salary (according to the employment agreement of the relevant Person with Significant Relationship to the Company);

(ii) remuneration for the performance of office under the agreement on the performance of the office of the relevant Person with Significant Relationship to the Company: in the relevant accounting period, all members of the Board of Directors of the Company and members of the Supervisory Board of the Company, except for the members of the Supervisory Board elected by employees, waived the remuneration for the performance of their offices;

(iii) additional monetary remuneration:

- monetary benefits in connection with the relocation (one-off relocation contribution, allowance in the case of a change of the permanent residence address upon relocation in the amount based on the relevant salary grade of PMI, according to local conditions and the number of family members of the Member living with him/her in the common household, allowance for tuition fees for family members of employees as a result of relocation, reimbursement of rent and service charges, allowance for moving, transport, immigration matters, etc.);
- contributions on the occasion of working and personal anniversaries;
- allowance for meals and leisure activities (e.g. in the form of holiday allowance or education allowance);
- reimbursement of premiums of life and accident insurance, contribution to supplementary pension insurance;
- health care contribution and preventive programme contribution within the framework of voluntary prevention and health care programmes with financial participation of the relevant Person with Significant Relationship to the Company;

(iv) non-monetary benefits: business laptop, car and telephone (including for private purposes).

2) The fixed component includes, in the case of the Persons with Significant Relationship to the Company who are employees of PMCR:

(i) salary (according to the employment agreement of the relevant Person with Significant Relationship to the Company);

(ii) remuneration for the performance of office (under the agreement on the performance of the office of the relevant Person with Significant Relationship to the Company): in the relevant accounting period, all members of the Board of Directors of the Company and members of the Supervisory Board of the Company, except for the members of the Supervisory Board elected by employees, waived the remuneration for the performance of their offices;

(iii) additional monetary remuneration:

- monetary benefits in connection with the relocation (one-off relocation contribution, allowance in the case of a change of the permanent residence address upon relocation in the amount based on the salary grade of PMCR, according to local conditions and the number of family members of the Member living with him/her in the common household, rent allowance or reimbursement of rent, allowance for moving, transport, etc.);
- contributions on the occasion of working and personal anniversaries;
- allowance for meals and leisure activities (e.g. in the form of holiday allowance or education allowance);
- reimbursement of premiums of life and accident insurance;
- contribution to supplementary pension insurance;
- health care contribution and preventive programme contribution within the framework of voluntary prevention and health care programmes with financial participation of the relevant Person with Significant Relationship to the Company;
- compensatory allowance for temporary work incapacity and nursing of a family member;
- severance payment and other benefits related to employment termination;

(iv) non-monetary benefits: business laptop, car and telephone (including for private purposes).

3) The fixed component in the case of the Persons with Significant Relationship to the Company who are not employees of PMI or PMCR includes an annual remuneration for the performance of office (according to the agreement on the performance of the office of the relevant Person with Significant Relationship to the Company).

The variable component of the remuneration:

4) The variable component includes, in the case of the Persons with Significant Relationship to the Company who are employees of PMI or PMCR:

- (i) a one-off annual performance-based financial bonus;
- (ii) a bonus in the form of shares of Philip Morris International Inc.

The remuneration of the Persons with Significant Relationship to the Company who are not employees of PMI or PMCR includes the fixed component only.

Remuneration components of the members of the Board of Directors:

The total amount of remuneration is before tax and relevant mandatory contributions.

Andrea Gontkovičová /Chairperson of the Board of Directors and Managing Director of the Company responsible for the Czech Republic, Slovakia and Hungary/:

received the fixed component of the remuneration in accordance with Sec. 1) above: the fixed monthly remuneration (salary) for 2020 in total 11,060,768.52 CZK, and additional monetary remuneration and other benefits in total 5,179,438.58 CZK, including contribution to supplementary pension insurance in total 320,702.06 CZK, and the variable component of the remuneration in accordance with Sec. 4) above: a one-off annual performance-based financial bonus for the year 2019 paid in 2020 in total 10,483,327.01 CZK and a bonus in the form of shares of Philip Morris International Inc. vested in 2017 and received in 2020 in the total

value 2,717,632.26 CZK and share in the profit from these shares paid in 2020 in total 663,017.13 CZK. Total amount of fixed and variable remuneration 30,104,183.50 CZK. Ratio of the fixed and the variable components of the remuneration % expression of the variable component to the fixed component of the remuneration: 55/45 %.

Petr Šedivec /Member of the Board of Directors and Director finance of the Company responsible for the Czech Republic and Slovakia/:

received the fixed component of the remuneration in accordance with Sec. 2) above: the fixed monthly remuneration (salary) for 2020 in total 3,179,822 CZK, and additional monetary remuneration and other benefits in total 184,856 CZK, and the variable component of the remuneration in accordance with Sec. 4) above: a one-off annual performance-based financial bonus for the year 2019 paid in 2020 in total 1,304,500 CZK and a bonus in the form of shares of Philip Morris International Inc. vested in 2017 and received in 2020 in the total value 255,893.73 CZK and share in the profit from these shares paid in 2020 in total 127,595 CZK. Total amount of fixed and variable remuneration 5,052,666.73 CZK. Ratio of the fixed and the variable components of the remuneration % expression of the variable component to the fixed component of the remuneration: 67/33 %.

Peter Piroch /Member of the Board of Directors and Director Commercial Operations of the Company responsible for the Czech Republic/:

received the fixed component of the remuneration in accordance with Sec. 1) above: the fixed monthly remuneration (salary) for 2020 in total 3,254,289.28 CZK, and additional monetary remuneration and other benefits in total 2,672,456.66 CZK, and the variable component of the remuneration in accordance with Sec. 4) above: a one-off annual performance-based financial bonus for the year 2019 paid in 2020 in total 1,085,115 CZK and a bonus in the form of shares of Philip Morris International Inc. vested in 2017 and received in 2020 in the total value 284,301.54 CZK and share in the profit from these shares paid in 2020 in total 120,417.21 CZK. Total amount of fixed and variable remuneration 7,416,579.69 CZK. Ratio of the fixed and the variable components of the remuneration % expression of the variable component to the fixed component of the remuneration: 80/20 %.

Piotr Andrzej Cerek /Member of the Board of Directors and Director Manufacturing of the Company responsible for the Czech Republic/:

received the fixed component of the remuneration in accordance with Sec. 1) above: the fixed monthly remuneration (salary) for 2020 in total 5,294,765.14 CZK, and additional monetary remuneration and other benefits in total 2,890,000 CZK, including contribution to supplementary pension insurance in total 544,516.76 CZK and the variable component of the remuneration in accordance with Sec. 4) above: a one-off annual performance-based financial bonus for the year 2019 paid in 2020 in total 617,336 CZK and a bonus in the form of shares of Philip Morris International Inc. vested in 2017 and received in 2020 in the total value 144,257.42 CZK and share in the profit from these shares paid in 2020 in total 226,799.40 CZK. Total amount of fixed and variable remuneration 9,173,157.97 CZK. Ratio of the fixed and the variable components of the remuneration % expression of the variable component to the fixed component of the remuneration: 95/5 %.

Petr Šebek /Member of the Board of Directors and Director External Affairs responsible for the Czech Republic/:

received the fixed component of the remuneration in accordance with Sec. 2) above: the fixed monthly remuneration (salary) for 2020 in total 3,547,557 CZK, and additional monetary remuneration and other benefits in total 224,070 CZK, including contribution to supplementary pension insurance in total 60,000 CZK and the variable component of the remuneration in accordance with Sec. 4) above: a one-off annual performance-based financial bonus for the year 2019 paid in 2020 in total 1,045,770 CZK and a bonus in the form of shares of Philip Morris International Inc. vested in 2017 and received in 2020 in the total value 128,076.91 CZK and share in the profit from these shares paid in 2020 in total 102,327 CZK. Total amount of fixed and variable remuneration 5,047,800.91 CZK. Ratio of the fixed and the variable components of the remuneration % expression of the variable component to the fixed component of the remuneration: 75/25 %.

Tomáš Korkoš /former Member of the Board of Directors and former Director External Affairs responsible for the Czech Republic/:

received the variable component of the remuneration in accordance with Sec. 4) above: a bonus in the form of shares of Philip Morris International Inc. vested in 2017 and received in 2020 in the total value 450,147.31 CZK and share in the profit from these shares paid in 2020 in total 23,994.33 CZK. Total amount of fixed and variable remuneration 474,141.64 CZK. Ratio of the fixed and the variable components of the remuneration % expression of the variable component to the fixed component of the remuneration: 0/100 %.

Remuneration components of the members of the Supervisory Board:

Stefan Bauer /Chairperson of the Supervisory Board of the Company, Chairperson of the Audit Committee and VP Finance of Philip Morris Products S.A. responsible for EU/:

Stefan Bauer was entitled to receive from the Company only remuneration for the performance of office under the agreement on the performance of the office in total 400,000 CZK, in the relevant accounting period, Stefan Bauer waived the remuneration for the performance of his office.

Alena Zemplerová /Member of the Supervisory Board of the Company/:

received the fixed component of the remuneration in accordance with Sec. 3): remuneration for the performance of office under the agreement on the performance of the office in total 200,000 CZK. Ms. Alena Zemplerová is not an employee of PMI or PMČR, the remuneration includes the fixed component only.

Stanislava Juríková /Member of the Supervisory Board and the Audit Committee of the Company/:

received the fixed component of the remuneration in accordance with Sec. 3): remuneration for the performance of office under the agreement on the performance of the office in total 400,000 CZK. Ms. Stanislava Juríková is not an employee of PMI or PMČR, the remuneration includes the fixed component only.

Sergio Colarusso /Member of the Supervisory Board of the Company and Controller of Philip Morris Products S.A. responsible for EU/:

Sergio Colarusso was entitled to receive from the Company only remuneration for the performance of office under the agreement on the performance of the office in total 200,000 CZK, in the relevant accounting period, Sergio Colarusso waived the remuneration for the performance of his office.

Tomáš Hilgard /Member of the Supervisory Board of the Company elected by the employees/:

received the fixed component of the remuneration in accordance with Sec. 2) above: the fixed monthly remuneration (salary) for 2020 in total 1,963,410 mil. CZK, and additional monetary remuneration, remuneration for the performance of office and other benefits in total 331,816 CZK, including contribution to supplementary pension insurance in total 36,000 CZK, and the variable component of the remuneration in accordance with Sec. 4) above: a one-off annual performance-based financial bonus for the year 2019 in total 158,260 CZK. Total amount of fixed and variable remuneration 2,453,486 CZK. Ratio of the fixed and the variable components of the remuneration % expression of the variable component to the fixed component of the remuneration: 94/6 %.

Richard Vašíček /Member of the Supervisory Board of the Company elected by the employees/:

received the fixed component of the remuneration in accordance with Sec. 2) above: the fixed monthly remuneration (salary) for 2020 in total 901,672 CZK, and additional monetary remuneration, remuneration for the performance of office and other benefits in total 230,000 CZK, including contribution to supplementary pension insurance in total 23,000. Total amount of fixed and variable remuneration 1,131,711 CZK. Ratio of the fixed and the variable components of the remuneration % expression of the variable component to the fixed component of the remuneration: 100/0 %.

II

Overview of the annual change to the total amount of remuneration

(Section 121p (1) (b) of the Capital Market Undertakings Act)

Overview of the annual change to the total amount of remuneration for the five most recent accounting periods following the date of admission of shares to trading on the European market, in relation to each Person with Significant Relationship to the Company:

In millions of CZK

Total amount of all remuneration provided to individual Persons with Significant Relationship to the Company	Accounting period				
	2016	2017	2018	2019	2020
Andrea Gontkovičová	N/A*				N/A
Petr Šedivec					N/A
Peter Piroch					N/A
Piotr Andrzej Cerek					N/A
Petr Šebek					N/A
Tomáš Korkoš					N/A
Stefan Bauer					N/A
Prof. Alena Zemplerová					N/A
Stanislava Juríková					N/A
Sergio Colarusso					N/A
Tomáš Hilgard					N/A
Richard Vašíček					N/A

* not applicable with regard to Article III (3) (Transitional Provisions) of Act No. 204/2019 Coll., Amending Certain Laws in Connection with the Promotion of Exercise of Shareholders' Rights

III

Information on remuneration provided or payable in the accounting period for which the remuneration report is prepared by persons/entities belonging to the same group as the Company

(Section 121p (1) (c) of the Capital Market Undertakings Act)

Information on the remuneration provided or payable in the relevant accounting period to the Persons with Significant Relationship to the Company pursuant to Section 121o (2) of the Capital Market Undertakings Act, which are to be specified in the remuneration report in accordance with Section 121p (1) (c), is given in the table below. It includes the remuneration provided directly by Philip Morris International Inc. or its controlled companies, i.e. by the relevant employers of the relevant Persons with Significant Relationship to the Company (without this remuneration being re-invoiced to PMCR).

Persons with Significant Relationship to the Company – Members of the Supervisory Board of the Company:

Stefan Bauer /Chairperson of the Supervisory Board of the Company, Chairperson of the Audit Committee and VP Finance of Philip Morris Products S.A. responsible for EU/:

received from Philip Morris International Inc. or its controlled companies, with the exception of PMCR the fixed component of the remuneration in accordance with Sec. 1) above: The fixed monthly remuneration (salary) for 2020 in total 10,661,042.62 CZK, and additional monetary remuneration and other benefits in total 569,676.61 CZK, including contribution to supplementary pension insurance in total 307,892.55 CZK, and the variable component of the remuneration in accordance with Sec. 4) above: a one-off annual performance-based financial bonus for the year 2019 paid in 2020 in total 9,319,160.14 CZK and a bonus in the form of shares of Philip Morris International Inc. vested in 2017 and received in 2020 in the total value 4,455,329.74 CZK and share in the profit from these shares paid in 2020 in total 817,048.82 CZK. Total amount of fixed and variable remuneration 25,822,257.94 CZK. Ratio of the fixed and the variable components of the remuneration % expression of the variable component to the fixed component of the remuneration: 43/57 %.

Sergio Colarusso /Member of the Supervisory Board of the Company and Controller of Philip Morris Products S.A. responsible for EU/:

received from Philip Morris International Inc. or its controlled companies, with the exception of PMCR ("PMI") the fixed component of the remuneration in accordance with Sec. 1) above: The fixed monthly remuneration (salary) for 2020 in total 9,535,294.44 CZK, and additional monetary remuneration and other benefits in total 731,497.63 CZK, including contribution to supplementary pension insurance in total 275,278.47 CZK, and the variable component of the remuneration in accordance with Sec. 4) above: a one-off annual performance-based financial bonus for the year 2019 paid in 2020 in total 4,248,096.96 CZK and a bonus in the form of shares of Philip Morris International Inc. vested in 2017 and received in 2020 in the total value 773,254.75 CZK and share in the profit from these shares paid in 2020 in total 391,493.24 CZK. Total amount of fixed and variable remuneration 15,679,637.02 CZK. Ratio of the fixed and the variable components of the remuneration % expression of the variable component to the fixed component of the remuneration: 64/36 %.

IV

**Number of shares or share options provided or offered
(Section 121p (1) (d) of the Capital Market Undertakings Act)**

In the relevant period, neither shares nor share options were offered or provided to any Persons with Significant Relationship to the Company.

V

**Information on the exercise of the Company's right to request the return of the variable component
of remuneration or a part thereof
(Section 121p (1) (e) of the Capital Market Undertakings Act)**

Neither the Company nor the PMI Group has any rules set on the basis of which Persons with Significant Relationship to the Company could be required to return any previously paid variable components of their remuneration or any part thereof.

VI

**Information on deviations from the procedure of implementation of the remuneration policy set out in
the Remuneration Policy and on deviations from the Remuneration Policy
(Section 121p (1) (f) of the Capital Market Undertakings Act)**

In the relevant accounting period, the Company did neither deviate from the procedure of implementation of the remuneration policy set out in the Remuneration Policy nor from the Remuneration Policy itself.

VII

Information on the annual change to the Company's financial and non-financial key performance indicators

(Section 121p (2) of the Capital Market Undertakings Act)

There was no change to the Company's financial and non-financial performance indicators in the relevant accounting period.

VIII

Annual change to the average remuneration of the Company's employees

In accordance with Section 121p (2) of the Capital Market Undertakings Act, the annual change to the average remuneration of the Company's employees (excluding Persons with Significant Relationship to the Company), recalculated per employee with specified weekly working hours, for at least the last five accounting periods.

	2016	2017	2018	2019	2020
Annual change to average remuneration in CZK	N/A*				N/A
Annual change to average remuneration in %	N/A*				N/A

* not applicable with regard to Article III (3) (Transitional Provisions) of Act No. 204/2019 Coll., Amending Certain Laws in Connection with the Promotion of Exercise of Shareholders' Rights

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

SCHEDULE 5

Copy of Notarial Record NZ 50/2021 N 60/2021 of 16 March 2021, which contains a draft decision on the amendment of the Company's Articles of Association

COPY

Page One

N 60/2021
NZ 50/2021

Notarial Record

prepared by JUDr. Josef Doležal, a notary with his registered office in Kutná Hora, at the notary's office in Kutná Hora, Benešova 97, on 16 March 2021 (in words: the sixteenth day of March of the year two thousand and twenty-one). -----

The Participant, **Philip Morris ČR a.s.**, identification no. 14 80 35 34, with its registered office in Kutná Hora, Vítězná 1, postcode 284 03, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 627, represented by Petr Šedivec, born on 6 May 1977, residing and permanently staying in Rakovník II, V Lukách 2163, postcode 269 01, as an authorised person empowered by the Board of Directors of Philip Morris ČR a.s., identification no. 14 80 35 34, with its registered office in Kutná Hora, Vítězná 1, postcode 284 03, to prepare a draft resolution of the General Meeting of the Company to be adopted outside the meeting, in the form required by law, and to sign the notarial record on the draft resolution of the General Meeting of the Company to be adopted outside the meeting. An excerpt of the announcement of results of the voting performed outside the meeting of the Board of Directors of Philip Morris ČR a.s., dated 15 March 2021, is attached to this notarial record. -----

Petr Šedivec, whose identity has been proven on the basis of a valid official identity card, declares that he is capable of performing independent legal acts within the scope of the legal act on which this Notarial Record is made. -----

Petr Šedivec enters this draft resolution, which is to be adopted outside any meeting of the bodies of the legal entity, in the notarial record prepared pursuant to Section 80gc of Act No. 358/92 Coll., on Notaries and Their Activities, as amended, as follows: -----

Draft Resolution of the General Meeting of Philip Morris ČR a.s. To Be Adopted Outside the General Meeting (*Per Rollam*)

Clause One: I have verified the existence of Philip Morris ČR a.s., identification no. 14 80 35 34, with its registered office in Kutná Hora, Vítězná 1, postcode 284 03, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 627, on the basis of an extract from the Commercial Register issued by JUDr. Josef Doležal, notary, under no. V – 105/2021, dated 15 March 2021, about which the authorised member of the Board of Directors, Petr Šedivec, stated that it contained up-to-date information on the Company entered in the Commercial Register. Furthermore, Petr Šedivec submitted to the notary the Company's Articles of Association dated 26 April 2019, about which he stated that they constituted the latest full wording of the Articles of Association of Philip Morris ČR a.s. -----

Petr Šedivec declares that he has been authorised by the Board of Directors of Philip Morris ČR a.s. (as the statutory convener of the General Meeting) to ensure the preparation of the draft resolution of the General Meeting of the Company to be adopted outside the meeting and to sign the notarial record on the draft resolution of the General Meeting of the Company to be adopted outside the meeting. -----

Pursuant to the provisions of Section 418 (1) of Act No. 90/2012 Coll., on Business Companies and Cooperatives, as amended, the person authorised to convene the General Meeting shall send a draft resolution to be adopted outside the General Meeting (*per rollam*) to all shareholders. Pursuant to Section 402 (1) of the Act on Business Companies and Cooperatives, as amended, and Article 9 (1) of the Company's

Articles of Association, the General Meeting of a joint-stock company shall be convened by the Board of Directors.-----

Page Two

Clause Two: The authorisation of the General Meeting of Philip Morris ČR a.s. to adopt resolutions *per rollam* has been verified on the basis of the following: -----

- The Board of Directors of Philip Morris ČR a.s., whose meeting was held on 1 February 2021 (in words: on the first day of February of the year two thousand and twenty-one) resolved that the General Meeting of the Company would decide, *inter alia*, on the new full wording of the Company's Articles of Association outside the General Meeting (*per rollam*). The intention of the performance of the *per rollam* decision-making was published on 2 February 2021.-----
- On the basis of the submitted announcement of results of the voting performed outside the meeting of the Board of Directors of Philip Morris ČR a.s. held on 15 March 2021 (in words: the fifteenth day of March of the year two thousand and twenty-one), dated 15 March 2021, according to which the Board of Directors approved the draft resolution of the General Meeting which is to be adopted outside the meeting (*per rollam*) and at the same time instructed Petr Šedivec to ensure the preparation of the draft resolution of the General Meeting of the Company to be adopted outside the meeting and to sign the notarial record on the draft resolution of the General Meeting of the Company to be adopted outside the meeting, as well as all other related documents.-----
- On the basis of the provisions of Sections 18 and 19 *et seq.* 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"), and on the basis of the resolution of the Board of Directors of Philip Morris ČR a.s., which resolved in accordance with the above provisions of Lex Covid that the relevant meeting outside the General Meeting would be held in a similarly manner, but in the correspondence form pursuant to the established rules. -----

Clause Three: The following draft resolution is submitted to the shareholders of Philip Morris ČR a.s. for *per rollam* decision: -----

The General Meeting resolves, outside the meeting (*per rollam*), to amend the Company's Articles of Association by approving the new full wording of the Company's Articles of Association, as amended by the draft submitted by the Board of Directors of the Company, whereby the existing wording of the Company's Articles of Association shall be fully replaced by the following new wording of the Articles of Association: -----



PHILIP MORRIS ČR

THE ARTICLES OF ASSOCIATION OF THE COMPANY

THE DRAFT OF THE NEW COMPLETE WORDING OF THE ARTICLES OF ASSOCIATION OF THE
COMPANY SUBMITTED

BY THE BOARD OF DIRECTORS TO THE GENERAL MEETING HELD OUTSIDE A MEETING

(SO-CALLED PER ROLLAM)

Page Three

I. Basic Provisions	37
Article 1 General Provisions	37
Article 2 Business Name, Registered Office and Period of the Company's Existence	37
Article 3 Scope of Business	37
Article 4 Registered Share Capital	37
Article 5 Shares and Payment of the Share Issue Price	38
Article 6 Rights and Obligations of the Company's Shareholders	39
II. Company Organisation	8
Article 7 Company Bodies	8
A. General Meeting	8
Article 8 Position and Authority of the General Meeting	8
Article 9 Convening of the General Meeting	10
Article 10 Participation in the General Meeting	46
Article 11 General Meeting Procedures and Decision-Making	49
Article 12 Minutes of the General Meeting	50
B. Board of Directors	51
Article 13 Position and Powers of the Board of Directors	51
Article 14 Composition of the Board of Directors, Term of Office, Meetings, and Decision-Making	52
Article 15 Obligations of Members of the Board of Directors	20
C. Supervisory Board	55
Article 16 Position and Powers of the Supervisory Board	55
Article 17 Composition of the Supervisory Board and Term of Office	22
Article 18 Meetings of the Supervisory Board and Decision-Making	57
D. Audit Committee	58
Article 19 Position and Powers of the Audit Committee	58
Article 20 Composition of the Audit Committee and Term of Office	59
Article 21 Meetings of the Audit Committee and Decision-Making	60
III. Economic Management of the Company	61
Article 22 Records, Accounting, and Ordinary Financial Statements	61
Article 23 Distribution of Profit and/or Other Company's Own Sources and Coverage of Losses	61
IV. Registered Share Capital Increase	62
Article 24 Registered Share Capital Increase	62
Article 25 Registered Share Capital Increase by Subscription for New Shares	63
Article 26 Registered Share Capital Increase from the Company's Own Sources	30
Article 27 Conditional Increase of the Registered Share Capital	30
Article 28 Increase of the Registered Share Capital by the Board of Directors	31
V. Registered Share Capital Reduction	65
Article 29 Registered Share Capital Reduction	65
Article 30 Registered Share Capital Reduction by Reducing Nominal Value of Shares	66
Article 31 Registered Share Capital Reduction by Refraining from Issue of Shares	66

VI. Amendments of the Articles of Association.....	67
Article 32 Amendments of the Articles of Association	67
VII. Winding-up and Termination of the Company's Existence	67
Article 33 Winding-up of the Company.....	67
Article 34 Liquidation of the Company	68
Article 35 Termination of the Company's Existence.....	68
VIII. Acting on behalf of the Company.....	68
Article 36 Acting and Signing on behalf of the Company	68
IX. Common and Final Provisions	68
Article 37 Official Publication and Publication of Information	68
Article 38 Interpretation Provision.....	68
Article 39 Subjection to the Business Corporations Act	68

I. Basic Provisions

Article 1

General Provisions

1. Philip Morris ČR a.s. (the "**Company**"), was founded in accordance with the founder's plan of ČSTP Kutná Hora, a state enterprise, with the consent of the Ministry of Agriculture of the Czech Republic dated 22 March 1991 and numbered 1619/91-510. -----
2. The Company has been registered in the Commercial Register kept with the Municipal Court in Prague, Section B, Insert 627, as a joint-stock company incorporated pursuant to Czech law. -----
3. No party received any special benefit in relation to the establishment of the Company. -----

Article 2

Business Name, Registered Office and Period of the Company's Existence

1. The Company's business name shall read: Philip Morris ČR a.s. -----
2. The Company's registered office shall be at the address: Vítězná 1, 284 03 Kutná Hora. -----
3. The Company has been established for an indefinite period of time. -----
4. The Company has a website: <http://www.philipmorris.cz>, where it publishes invitations to the General Meetings and other information for its shareholders. -----

Article 3

Scope of Business

1. The Company's scope of business shall be: -----
 - (i) the processing of tobacco and manufacture of tobacco products; and -----
 - (ii) manufacture, trade and services not listed in Appendices 1 to 3 of the Trade Licensing Act. -----

Article 4

Registered Share Capital

1. The registered share capital of the Company shall amount to CZK 2,745,386,000 (in words: two billion seven hundred and forty-five million three hundred and eighty-six thousand Czech crowns). -----
2. The registered share capital of the Company has been fully paid up. -----

3. Increases and reductions in the registered share capital shall be resolved on by the General Meeting or by the Company's Board of Directors in accordance with the relevant provisions of Act No. 90/2012 Coll., on Business Corporations and Cooperatives, as amended (the "**Business Corporations Act**"), and of these Articles of Association.-----

Article 5

Shares and Payment of the Share Issue Price

1. The Company's registered share capital has been divided up as follows:-----
 - a) 831,688 certificated registered shares with a nominal value of CZK 1,000 each, which are not registered for public trading on a European regulated market, with a total nominal value of CZK 831,688,000; and

 - b) 1,913,698 book-entered registered shares with a nominal value of CZK 1,000 each, which are registered for public trading on a European regulated market, with a total nominal value of CZK 1,913,698,000.

2. The Company keeps a list of shareholders. For book-entered shares the list of shareholders is replaced by records of book-entered securities kept pursuant to a special legal regulation. -----
3. Only the persons recorded in the list of shareholders are deemed to be the Company's shareholders holding shares. The Company shall record a new shareholder in the list of shareholders without undue delay after it is presented with proof that there has been a change of shareholder. It shall also be deemed that the person in whose owner account the particular book-entered share is registered is the owner of the book-entered share. If a shareholder caused that it is not registered in the list of shareholders or that a record in the list of shareholders does not correspond to the actual state of affairs, it may not seek the invalidity of a resolution of the General Meeting due to the fact that the Company did not allow it to take part in the General Meeting or to vote at the General Meeting on the basis of this fact. -----
4. The list of shareholders of the Company shall specify the class of the share (if shares of several classes are to be issued), its nominal value, the name and address or the registered office of the shareholder, number of the relevant bank account, numerical designation of the share, and changes in the recorded information. The list of shareholders shall also contain information on any separation or transfer of a separately transferable right. Upon the written request of a shareholder and at its expense, the Company shall provide the shareholder with a copy of the list of shareholders who are owners of registered shares, or the required parts of the list without undue delay after receiving the request. -----
5. The Company's shares are transferable in accordance with the relevant provisions of the Business Corporations Act, Act No. 89/2012 Coll., the Civil Code, as amended (the "**Civil Code**"), and Act No. 191/1950 Coll., the Cheques Act, as amended (the "**Cheques Act**"). The transferability of the Company's shares is not restricted.

6. The Company may issue shares as global shares (certificates) replacing the individual shares. The rights arising from a global share (certificate) cannot be divided into shares (*podily*) by transfer. An owner of a global share (certificate) is entitled to replacement of the global share (certificate) for individual shares or for other global shares (certificates) based on a written request addressed to the Board of Directors. The Company is obliged within two months after the delivery of the written request, to replace the global share (certificate) for individual shares or for other global shares (certificates).-----
7. Under the conditions stipulated by the Business Corporations Act, the following rights may be transferred separately: the right to a share in profit and in other Company's own sources, the priority right to subscribe for shares and convertible and priority bonds, the right to a share in the liquidation balance and other similar property rights specified by these Articles of Association. -----
8. If a share is owned by more than one person, all these persons are co-owners of the share and, in relation to the Company, the share is administered by the administrator of the co-owned item. Mutual relationships between the co-owners of shares are governed analogously by the provisions of the Civil Code regulating co-ownership.

9. Unless stipulated otherwise, the procedure for increasing and reducing the registered share capital shall be governed by the relevant provisions of the Business Corporations Act. When increasing the registered share capital by subscription for new shares, the conditions and manner of share payment shall be stipulated by the General Meeting in accordance with the provisions of the Business Corporations Act and these Articles of Association. -----
10. When subscribing for shares in connection with an increase in the registered share capital, the subscriber shall be obliged to pay at least 30% of their nominal value, unless a higher percentage is required in the resolution of the General Meeting on an increase of the registered share capital, and a share premium, if any, in the case of monetary contributions, and after all in-kind contributions have been made. The subscriber shall pay the remaining portion of the issue price of these shares no later than six months after the registered capital increase takes effect. Until the issue price of the shares is paid, the shareholder's rights and obligations relating to unpaid shares are represented by interim certificates issued by the Company without undue delay after the registered capital increase takes effect. -----
11. A subscriber who delays the payment of the issue price of the shares subscribed for by it or a determined portion of such price within the period stipulated by the General Meeting, these Articles of Association or the Business Corporations Act, must pay to the Company default interest on the amount due, which shall equal twice the amount of the default interest stipulated by another applicable legal regulation. If a subscriber is in delay with respect to making a contribution or a part of it, the Board of Directors shall call on the subscriber, by sending it a registered letter, to fulfil its obligation within 60 days of the receipt of such request. After the expiration of such period to no effect, the Board of Directors shall expel the defaulting shareholder from the Company in respect of the shares in relation to which it failed to fulfil its obligation to make a contribution and shall invite it to submit its interim certificate (if issued) within a reasonable period set by the Board of Directors. This shall not apply if the Board of Directors takes any other measure. If no interim certificate has been issued, the unpaid shares shall pass to the Company based on the relevant expulsion resolution of the Board of Directors. The expelled shareholder guarantees the payment of the issue price of the shares subscribed by it. Should the expelled shareholder fail to submit the interim certificate (if issued) within the specified time limit, the Board of Directors shall declare the interim certificate invalid and shall inform the shareholder of this fact in writing. The Board of Directors shall notify the shareholders of its resolution in the manner prescribed by the Business Corporations Act and these Articles of Association for convening a General Meeting and shall simultaneously publish the resolution. -----
12. The Company shall sell shares to a person approved by the General Meeting, provided that this person pays the issue price of the shares; otherwise the Company shall reduce the registered share capital by the nominal value of the interim certificate or unpaid shares. -----
13. Performance obtained by the Company from the sale of returned shares shall be used as a consideration for the performance provided by the expelled shareholder for the payment of the issue price, and the Company shall pay such performance to the expelled shareholder without undue delay. The Company shall offset its receivables due from the expelled shareholder as a result of a breach by the shareholder of its obligations against such performance. The Company may also offset any reasonable expenses that it incurs in relation to declaring the interim certificate invalid, while proving the amount of the offset receivable to the shareholder. -----

Article 6

Rights and Obligations of the Company's Shareholders

1. The rights and obligations of shareholders are set out by the legal regulations and by these Articles of Association. -----
2. A shareholder of the Company may be either a legal entity or an individual. -----
3. Any rightful shareholder of the Company shall be entitled to take part in the management of the Company. This right shall be exercised in principal at the General Meeting and each shareholder must respect the rules of procedure and voting at the General Meeting, provided that such rules are approved by the General Meeting. -----

4. A shareholder shall be entitled to take part in a General Meeting and to vote at the General Meeting. --

A shareholder shall be entitled to take part in a General Meeting and to vote at the General Meeting. The condition for the exercise of a voting right by a shareholder is the entry 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 (the "Act on Register of Beneficial Owners"), if the shareholder is obliged to arrange for the entry of the beneficial owner. In order to verify these facts, the shareholder may be invited to submit an up-to-date extract from the register of beneficial owners and a related declaration confirming that the information entered in the register and stated in the submitted extract is up-to-date. The essentials associated with the submission of this extract and the related declaration shall be set out in the invitation to the General Meeting (or in the draft resolution). If the shareholder does not provide, based on a request stated in the invitation to the General Meeting (or in the draft resolution), the extract proving the registration of its beneficial owner and the related declaration (if requested), that shareholder shall not be allowed to exercise their voting rights (that shareholder must not exercise their voting rights).¹ -----

5. A shareholder is entitled to require and obtain from the Company explanations in respect of the Company's affairs and matters relating to parties controlled by the Company, should such explanation be necessary for the assessment of matters on the agenda of the General Meeting or for the exercise of shareholder's rights at the General Meeting. The shareholder may file the request for explanation pursuant to the preceding sentence in writing. A shareholder may file proposals and counterproposals in relation to the matters on the agenda of the General Meeting. The exercise of such rights is specified in detail in Articles 8, 9, 10 and 11 of these Articles of Association. -----
6. The voting rights of a shareholder shall depend on the nominal value of its shares. Each share with a nominal value of CZK 1,000 (in words: one thousand Czech crowns) shall represent one vote at the General Meeting. The number of votes in the Company totals 2,745,386 (in words: two million seven hundred and forty-five thousand three hundred and eighty-six). -----
7. Shareholders of the Company shall have the right to a share in the Company's profit and in other Company's own sources as approved by the General Meeting for distribution among shareholders based on the economic result, and each shareholder's share in the profit shall be determined based on the proportion of the nominal value of the shares owned by the particular shareholder to the Company's registered share capital. The shares in profit and in other Company's own sources shall be payable within three months of the date of the adoption of the resolution of the General Meeting on the distribution of profit and other Company's own sources, unless the General Meeting resolves otherwise. Neither the shares in profit s nor shares in other Company's own sources shall bear interest. If any share in profit and/or share in other Company's own sources is not collected within three years of its due date, it shall be transferred to the Company's fund of uncollected dividends.

Shareholders of the Company shall have the right to a share in the Company's profit and in other Company's own sources as approved by the General Meeting for distribution among shareholders based on the economic result, and each shareholder's share in the Company's profit respectively in other Company's own sources shall be determined based on the proportion of the nominal value of the shares owned by the particular shareholder to the Company's registered share capital. The decisive date for exercising the right to a share in profit and in other Company's own sources is the sixth business day following the date of the General Meeting which resolved on the distribution of profit and/or other Company's own sources. The share in profit and in other Company's own sources shall be payable within three months of the date of the adoption of the resolution of the General Meeting on the distribution of profit and other Company's own sources, unless the General Meeting resolves otherwise. Neither the share in profit nor the share in other Company's own sources shall bear interest. If any share in profit-----

¹ The wording of Article 6 (4) in italics shall take effect on 1 June 2021 and shall fully replace the existing wording of Article 6 (4).

*and/or in other Company's own sources is not collected within three years of its due date, it shall be transferred to the Company's fund of uncollected dividends.*²-----

8. Shareholders are not entitled to request that their contributions be returned during the existence of the Company or upon its winding-up. After the winding-up of the Company with liquidation, shareholders shall be entitled to a share in the liquidation balance whereas such liquidation balance shall be divided among the shareholders in proportion corresponding to the paid nominal value of their shares. The liquidator shall pay a share in the liquidation balance without undue delay after the return of the share(s). If a shareholder fails to return its shares at the request of the liquidator, the liquidator shall pay the share in the liquidation balance to the shareholder without undue delay after the shares have been declared invalid. For book-entered shares, the right to a share in the liquidation balance shall arise to a shareholder on the day on which the shares are deleted from the Company's records of book-entered securities based on the order of the liquidator. -----
9. The shareholder is obliged to pay the issue price and the share premium, if any, of the shares subscribed for by it in accordance with Article 5 of these Articles of Association. -----

II. Company Organisation

Article 7 Company Bodies

The Company has selected a dualistic internal structure system. The bodies of the Company shall be: -----

- a) the General Meeting; -----
- b) the Board of Directors; -----
- c) the Supervisory Board; and -----
- d) the Audit Committee. -----

A. General Meeting

Article 8 Position and Authority of the General Meeting

1. The General Meeting shall be the supreme body of the Company. It shall resolve on all the Company's affairs placed under its authority by these Articles of Association or by generally binding legal regulations. --
2. The General Meeting shall have the authority to: -----
 - (a) resolve on any changes to the Articles of Association, except for changes which are the consequence of an increase in the registered share capital by the authorised Board of Directors or a change arising as a result of other legal facts; -----
 - (b) resolve on any changes to the amount of the registered share capital, or on the authorisation of the Board of Directors to increase the registered share capital; -----
 - (c) resolve on the possibility of setting-off a receivable from the Company against a receivable of the Company regarding payment of the issue price; -----
 - (d) resolve on the issue of convertible or priority bonds; -----
 - (e) elect and recall members of the Board of Directors, unless the Business Corporations Act stipulates otherwise;-----

² The wording of Article 6 (7) in italics shall take effect on 1 January 2022 and shall fully replace the current wording of Article 6 (7).

- (f) elect and recall members of the Supervisory Board, unless the Business Corporations Act stipulates otherwise;-----
- (g) approve the ordinary, extraordinary or consolidated financial statements and, where stipulated by law, also interim financial statements; -----
- (h) resolve on the distribution of profit or other funds of the Company or on the payment of a loss;--
- (i) resolve on filing any application for the acceptance of participating securities of the Company for trading on a European regulated market or for withdrawal of these securities from trading on a European regulated market; -----
- (j) resolve to wind up the Company with liquidation; -----
- (k) appoint and recall a liquidator; approve the agreement on performance of liquidator office;-----
- (l) approve the final report on the course of the liquidation and a proposal for the use of the liquidation balance; -----
- (m) approve any transfer or pledge of an enterprise or such part of the assets and liabilities that would mean a material change to the actual scope of business or activities of the Company;-----
- (n) resolve on the assumption of the effect of actions performed on behalf of the Company before its establishment;-----
- (o) approve any agreement on silent partnership (company) and any other agreement establishing a right to a share in profit or a share in other Company's sources; -----
- (p) resolve on a transformation of the Company, unless the law governing transformations of business companies and cooperatives stipulates otherwise;-----
- (q) appoint and recall members of the Audit Committee;-----
- (r) resolve on the approval of the agreements on performance of office of members of the Board of Directors, the Supervisory Board and the Audit Committee, and on their remuneration or the provision of any other benefits to which they are not entitled on the basis of a legal regulation or the agreement on performance of office approved by the General Meeting or on the basis of an internal regulation approved by the General Meeting; -----
- (s) resolve on changes in the rights attached to a certain class of shares; -----
- (t) resolve on changes in the class and type of shares;-----
- (u) resolve on share splitting or the merger of a number of shares into one share;-----
- (v) resolve on the restriction of share transferability or any change thereto;-----
- (w) resolve on the acquisition by the Company of its own shares in accordance with the applicable legal rules; -----
- (x) resolve on the appointment of an auditor of the Company; -----
- (y) resolve on the approval of the remuneration (compensation) policy pursuant to Section 121k of Act No. 256/2004 Coll., on Business Activities on the Capital Market, as amended (the “**Act on Business Activities on the Capital Market**”);-----
- (z) resolve on the approval of the remuneration (compensation) report pursuant to Section 121o of the Act on Business Activities on the Capital Market;-----
- (aa) resolve on the approval of a significant transaction under the conditions specified in Section 121s of the Act on Business Activities on the Capital Market; and -----
- (bb) resolve on any other matters which the law or these Articles of Association place under the authority of the General Meeting.-----

3. The General Meeting may not reserve the right to resolve on certain matters that are not placed under its authority by law or these Articles of Association. -----

Page Ten

4. The General Meeting shall also be entitled to adopt resolutions (decisions) outside the General Meeting within the meaning of Section 418 *et seq.* of the Business Corporations Act (the *per rollam* decision-making), including using technical means within the meaning of Section 398 of the Business Corporations Act. The conditions for the *per rollam* decision-making, including but not limited to the conditions of the *per rollam* decision-making using technical means, shall be determined by the Board of Directors and shall be specified in the draft resolution. As part of the *per rollam* decision-making, a person authorised to convene the General Meeting may send the draft resolution to all shareholders in accordance with the procedure set out in Section 418 *et seq.* of the Business Corporations Act (i.e. at the address of the registered office or residence address specified in the list of shareholders in the case of shareholders owning certificated shares and, in the case of shareholders owning book-entry shares, at the address indicated in the register of book-entry securities), or may alternatively use the possibility to deliver or send the draft resolution to all shareholders as set out in paragraph 5 of this Article below.

5. In the case of the *per rollam* decision-making of the General Meeting, a person authorised to convene the General Meeting shall deliver a draft resolution to all shareholders of the Company: -----

a) by its publication on the Company's website and, at the same time, -----

b) by publication of the information that the General Meeting will resolve *per rollam* in the Commercial Bulletin (*Obchodní věstník*), -----

whereas this method of delivery shall replace the sending of the draft resolution to all shareholders at their addresses. The draft resolution shall be delivered to each shareholder on the date on which the essentials referred to in sub-paragraphs a) and b) of this paragraph 5 are fulfilled (hereinafter referred to as the "**date of dispatch of the draft resolution**"). The time limit for receipt of a shareholder's statement shall be at least 15 days from the date of dispatch. -----

6. The person authorised to convene the General Meeting shall ensure that, at least 15 days before the date of dispatch of the draft resolution, the Company publishes on its website a notice of the *per rollam* decision-making and, in particular, the information on the manner of and possibility for the shareholders of becoming acquainted with the draft resolution and the supporting documents on the draft. In addition, the person authorised to convene the General Meeting shall determine in the notice more detailed conditions and instructions on the *per rollam* decision-making, *inter alia*, the method of showing consent to the draft resolution. -----
7. The decisive date for the *per rollam* decision-making shall be the seventh day preceding the date on which the draft resolution is sent to all shareholders. -----

*The decisive date for the per rollam decision-making shall be the seventh day preceding the date on which the draft resolution is sent to all shareholders. The decisive date for exercising the right to a share in profit and in other Company's own sources shall be the sixth business day following the date of the General Meeting which resolved on the distribution of profit and/or other Company's own sources per rollam. A notification of approval of the distribution of profit and/or other Company's own sources shall be published on the Company's website. This shall not affect the notification of a resolution adopted per rollam to shareholders within the meaning of Section 420 (1) of the Business Corporations Act.*³ -----

8. The Company shall disclose the Company's financial results for the previous accounting period as well as the amount of the shares in profit and/or in other Company's own sources if it is proposed before the decisive date for the *per rollam* decision-making. -----

³ The wording of Article 8 (7) in italics shall take effect on 1 January 2022 and shall fully replace the current wording of Article 8 (7).

Article 9

Convening of the General Meeting

1. The General Meeting shall be convened by the Board of Directors at least once per accounting period, usually at the Company's registered office or at such other place indicated by the Board of Directors in the invitation to the General Meeting. -----
2. The Board of Directors shall convene a General Meeting:-----
 - (a) at any time it deems necessary in view of the Company's interests or for any other good reason; or
 - (b) upon a written request of a shareholder or shareholders holding shares with a total nominal value of or such a number of shares corresponding to at least 1% of the Company's registered share capital in order to discuss the matters proposed by such shareholder(s), provided that each of the matters proposed includes the reasoning or a proposal for a resolution; or -----
 - (c) if it learns that the Company's total loss on the basis of any financial statements has reached an amount which if covered by the Company's available sources would result in an uncovered loss amounting to one half of the Company's registered share capital, or if this result may be expected in view of all the circumstances, and in particular if it learns that the Company has become insolvent (in Czech: *v úpadku*).

3. The General Meeting shall be convened by the Supervisory Board if the Company does not have any Board of Directors elected or if the Board of Directors does not fulfil its obligations on a long-term basis and if the General Meeting is not even convened by a member of the Board of Directors. The Supervisory Board may also convene the General Meeting if the Company's interests so require, in which case the Supervisory Board will propose necessary measures. If the Supervisory Board does not convene the General Meeting, it may be convened by any member of the Supervisory Board. The Supervisory Board is, as the body convening the General Meeting, bound in the same way as the Board of Directors by rules for the convocation of the General Meeting (Sections 405 to 411 of the Business Corporations Act). -----
4. The Board of Directors shall convene the General Meeting by publishing an invitation to the General Meeting on the website of the Company at least 30 days prior to the General Meeting and sending it at the same time to each shareholder holding certificated registered shares to each such shareholder's registered office or address as recorded in the list of shareholders and to each shareholder holding book-entered registered shares to each such shareholder's address as recorded in the records of book-entered securities. The invitation must remain published on the Company's website until the date of the General Meeting. A shareholder may choose to have invitations to the General Meetings delivered in electronic form to an e-mail address that it notifies to the Company no later than on 31 December of the relevant year before the respective General Meeting is to be held by means of (i) a written notice sent to the registered office of the Company or (ii) an e-mail sent by the shareholder to the Company's e-mail address philipmorris.cz@pmi.com or (iii) through a web application accessible to the shareholders on the website of the Company <http://www.philipmorris.cz>. In such a case, the Company will only send the invitations to the following General Meetings to the shareholder electronically to the notified e-mail address. If the shareholder no longer wishes to receive the invitations to the following General Meetings only electronically to the notified e-mail address, the shareholder shall notify it to the Company in writing or electronically (in a same manner specified above in this paragraph) no later than on 31 December of the relevant year before the respective General Meeting. If the shareholder causes that the e-mail address, which it notified to the Company for the purposes of receiving the invitation for the General Meeting, does not correspond to the actual state of affairs or that such e-mail address was cancelled in the meantime and the shareholder did not notify a new e-mail address to the Company, the shareholder may not seek the invalidity of a resolution of the General Meeting due to the fact that the Company did not allow it to take part in the General Meeting or to vote at the General Meeting on the basis of this fact.-----

The condition of a 30-day period does not need to be observed in the following instances: -----

- a) convening of a substitute General Meeting;-----
- b) convening of a General Meeting on the basis of a request of shareholders under Article 9 (2) of these Articles of Association. -----

In the above cases, a period as stipulated by law shall apply. -----

5. The invitation to the General Meeting must include: -----
 - a) the business name and registered office of the Company;-----
 - b) the place, date and time of the General Meeting;-----
 - c) information about whether an ordinary or a substitute General Meeting is being convened; -----
 - d) the agenda of the General Meeting, including any person nominated to hold the office of a member of any elected Company body (if any);-----
 - e) a decisive day for attending the General Meeting, if one has been determined, and an explanation of its significance for voting at the General Meeting; -----
 - f) draft resolutions of the General Meeting and their reasoning;-----
 - g) the essentials stipulated in Section 120a of the Act on Business Activities on the Capital Market; --
 - h) the time limit for delivery of the shareholder's opinion on the agenda of the General Meeting (if correspondence voting is allowed), which may not be shorter than 15 days and which begins upon the delivery of the invitation to the shareholder; and -----
 - i) other essentials stipulated by law, these Article of Association or any previous resolutions of the General Meeting. -----
6. If no draft resolution pursuant to paragraph 5(f) of this Article is submitted, the invitation to the General Meeting shall contain the opinion of the Board of Directors of the Company on each item of the agenda proposed. -----
7. If the agenda of the General Meeting includes any amendments of the Articles of Association of the Company, the invitation to the General Meeting shall contain at least a brief and concise description and justification of the proposed amendments to the Articles of Association. The full draft amendments of the Articles of Association shall be published by the Board of Directors together with the invitation to the General Meeting on the Company's website. The Company will allow each shareholder to view the draft amendments of the Articles of Association at its registered office free of charge within the time limit specified in the invitation to the General Meeting. A shareholder may request that a copy of the draft Articles of Association be sent to it at its own expense and risk. Shareholders must be informed of these rights in the invitation to the General Meeting. -----
8. The explanation under Article 6 (5) above regarding matters relating to the relevant General Meeting will be provided by the Company to the shareholders directly at the General Meeting. If this is not possible due to the complexity of the explanation, the Company will provide the explanation to all shareholders within 15 days after the date of the General Meeting, even if this is no longer necessary for the consideration of actions of the General Meeting or for the exercise of shareholders' rights at the General Meeting, by publishing it on the website of the Company. The information contained in the explanation must be clear and must provide a sufficient and true view of the enquiry concerned. The explanation above may be provided in the form of a summary statement on several similar issues. It shall be deemed that shareholders have been provided with the explanation even if the information is published on the Company's website no later than on the day preceding the date of the General Meeting and is available to the shareholders for viewing at the place where the General Meeting is to take place. If the information is provided to a shareholder, any other shareholder is entitled to request this information even without adhering to the procedure pursuant to Section 357 of the Business Corporations Act.-----
9. Any shareholder is entitled to file proposals and counterproposals regarding any matters included in the agenda of the General Meeting. -----

10. Any proposals and counterproposals delivered to the Company no later than three days before the General Meeting shall be published by the Board of Directors without undue delay on the Company's website. If the proposals and counterproposals contain justifications, the Board of Directors shall also publish these justifications along with them. If the proposals and counterproposals are delivered at the latest five days before the General Meeting, the Board of Directors shall also publish its opinion on the received proposals and counterproposals without undue delay.-----
11. A shareholder may file its proposals in relation to the matters which are to be included in the agenda of the General Meeting also before the invitation to the General Meeting is published. The Board of Directors shall publish any proposal delivered to the Company at least five days before the invitation to the General Meeting is published and its opinion on it along with the invitation to the General Meeting on the Company's website. Paragraph 10 of this Article applies analogously to any proposals delivered after this time limit. -----
12. The General Meeting may be cancelled or postponed until a later date. The Company shall inform the shareholders of the cancellation or postponement of the General Meeting in the manner stipulated by law and these Articles of Association regarding the convocation of the General Meeting at least one week before the originally announced date of the General Meeting; otherwise it will pay to the shareholders who appeared at the General Meeting according to the original invitation the related reasonably expended costs. If the General Meeting was convened on the basis of a request of the shareholders described in Article 9(2), the General Meeting can only be cancelled or postponed if these shareholders agree with it. -----
13. A substitute General Meeting shall be convened by the Board of Directors by a new invitation, which does not have to contain any justification of the draft resolution of the General Meeting or opinion of the Board of Directors of the Company on each proposed matter included in the agenda of the General Meeting pursuant to paragraph 5(d) of this Article above, in the manner specified in this Article; however, the period specified therein shall be reduced to 15 days. The invitation to the substitute General Meeting shall be sent to the shareholders no later than 15 days after the date for which the original General Meeting was convened, and the substitute General Meeting shall be held within six weeks of the day of the original General Meeting. Its agenda must be unchanged. The substitute General Meeting shall be quorate regardless of the number of the shareholders present and the nominal value of their shares. Resolutions on matters that were not included in the proposed agenda of the original General Meeting may only be adopted at the substitute General Meeting if all shareholders agree with it.-----
14. A General Meeting that was not convened duly and on time can only be held if all shareholders of the Company agree with it. Each shareholder must provide their consent in writing with their officially verified signature on it or verbally at the General Meeting so convened. Any consent granted at the General Meeting shall be recorded in the minutes of the General Meeting. If a resolution of a General Meeting is certified by a public deed, the declaration on the granting of the consent shall be specified in the public deed.-----

Article 10 Participation in the General Meeting

1. A shareholder shall be entitled to attend the General Meeting and vote at it. The voting by a shareholder at the General Meeting may take place provided that the statutory conditions and the conditions specified in these Articles of Association (or also contained in the rules of procedure and voting approved by the General Meeting) are complied with, *inter alia* in the form of correspondence voting in accordance with Section 398 (4) of the Business Corporations Act; the correspondence voting is however only and solely allowed if its conditions are specified in the invitation to the General Meeting (or in the draft resolution in the case of the *per rollam* decision-making). The conditions for the correspondence voting shall be determined by the Board of Directors in accordance with law and these Articles of Association. -----

2. A shareholder shall participate in the General Meeting either in person or through a proxy. The participation of a person designated by a shareholder pursuant to Section 399 (2) of the Business Corporations Act shall not be permitted, with the exception of participation of a person providing assistance to a shareholder with a disability. In the case of the Company's book-entered shares, shareholders (or their proxies) registered in the records of book-entered securities of the Company kept pursuant to a special legal regulation as at the decisive date for attendance of the General Meeting shall be entitled to attend the General Meeting and exercise their shareholder's rights there, i.e. also to vote there. If the Company's shares are registered for public trading on a European regulated market, the decisive date for attendance of the General Meeting is the seventh day prior to the General Meeting (the "**Decisive Date**"). In the case of the Company's certificated shares, shareholders registered in the list of shareholders of the Company as at the Decisive Date (or their proxies) shall be entitled to attend the General Meeting and exercise their shareholder's rights there, i.e. also to vote there, unless it is proved that such registration as at this date does not correspond to the actual state of affairs. The Company is obliged to obtain a statement from the records of book-entered securities as at the Decisive Date by the date of the General Meeting. -----
3. In order to participate in the General Meeting and in its discussions, a shareholder's proxy must have a power of attorney with an officially verified signature of a person who is a Company shareholder as at the Decisive Date, and it must be clear from this power of attorney whether this power of attorney has only been granted for one General Meeting or whether it has been granted for several General Meetings. If a special form is required for adopting a resolution of the General Meeting, it is sufficient if the power of attorney is granted in writing with an officially verified signature of the principal. A shareholder's proxy shall inform the shareholder, sufficiently in advance before the date of the General Meeting, of any and all facts that could be significant for the shareholder's assessment of whether there may be a potential conflict between the shareholder's interests and the proxy's interests. If a shareholder acts on the account of another person in respect of certain shares, such shareholder may exercise the voting rights attached to these shares in a different manner. -----
4. It is assumed that the person registered in the register of investment instruments as an administrator and/or a person entitled to exercise the rights attached to a share in the Company may represent the shareholder in exercising all the rights attached to the Company's shares registered in the relevant account, including participation in the General Meeting. Instead of a power of attorney, this person must prove their identity by producing a statement from the register of investment instruments; this is not necessary if the Company obtains a statement by itself from such register for the purposes of exercising the rights attached to the shares.
5. Each share with a nominal value of CZK 1,000 shall represent one vote. A shareholder may not exercise its voting rights in the cases stipulated by law. Voting is done by ballot, in which case shareholders will receive the ballots upon registration in the attendance list, or by any other suitable manner using technical means and allowing for electronic (or other technical) voting: the voting conditions using technical means shall be determined by the Board of Directors and specified in the invitation to the General Meeting. The General Meeting shall resolve whether voting shall be done by ballot or using technical means (e.g. by approval of the rules of procedure and voting for the relevant General Meeting containing the terms of such a vote). It can also be voted using technical means in favour of the approval of the rules of procedure and voting, which specify that the vote at the General Meeting shall be performed in a manner using technical means allowing for verification of identity of any person entitled to exercise the right to vote. The General Meeting shall first vote on proposals submitted by the Board of Directors or the Supervisory Board. If such proposals are not submitted or adopted, shareholders' (counter)proposals are voted on. -----
6. Shareholders attending the General Meeting shall sign the attendance list provided by the Board of Directors, which shall include the shareholder's name and surname or the name or business name and registered office or address of such shareholder and the name and surname, birth identification number and address or registered office of a person acting on its behalf (if it concerns a legal entity), or a proxy of such shareholder or a person providing assistance to a shareholder (proxy) with a disability, and the numbers of shares and the nominal value of shares entitling the shareholder to vote, or information that the share does not entitle the shareholder to vote. Should a certain person be rejected for registration in

the attendance list, this fact and the reason for the rejection shall be recorded in the attendance list. Powers of attorney of shareholders' proxies shall be attached to the attendance list and its accuracy shall be confirmed by the signature of the person convening the General Meeting (in Czech *svolavatel valné hromady*) or a person appointed by it. -----

7. Correspondence voting of shareholders may only and solely take place if (i) the conditions for this form of voting determined by the Board of Directors are specified in the invitation to the General Meeting, and shareholders may submit their votes in writing before the General Meeting within a time limit determined by the Board of Directors and specified by the Board of Directors in the invitation to the General Meeting (the votes submitted at any later moment will not be taken into account); and (ii) the relevant correspondence vote meets the requisites specified below in this paragraph; otherwise the correspondence vote or the participation of the shareholder voting in this manner will not be taken into account. The correspondence vote must include, in particular, the following: -----
 - a) name and surname, residence address and date of birth in the case of a shareholder – individual, or name or business name, registered office and identification number of the shareholder – legal entity (in the case of foreign legal entities, a similar number that sufficiently identifies the legal entity may be specified, if any such number has been assigned by the relevant foreign institution or authority);
 - b) the information specified above in subparagraph a) in relation to any person who represents a shareholder (legal entity) and/or a person who acts on behalf of the shareholder; -----
 - c) number of the shares and nominal value of the shares entitling the shareholder to the vote (or an indication that the shares do not entitle the shareholder to the vote); -----
 - d) the item on the agenda to which the correspondence voting relates or the wording of the draft put to the vote; -----
 - e) if a shareholder is represented by a proxy, that proxy is obliged to attach to the voting form a written power of attorney to represent the shareholder in the exercise of voting and other shareholder rights;
 - f) an officially verified signature of the voting person. If a correspondence vote has been signed by the representative (proxy) on behalf of the shareholder, it is necessary to prove the authorisation of the representative (proxy) to represent the shareholder. In order to prove the right to represent a shareholder, the relevant provisions of this Article 10 shall apply by analogy. Further information regarding the proving of the authorisation of the representative (proxy) to represent a shareholder in the voting by way of a correspondence vote shall be specified in the invitation to the General Meeting (in the draft resolution). -----

The shareholder may not change or cancel a submitted correspondence vote. Nevertheless, the shareholder may be present at the General Meeting in one of the manners stipulated in this Article. In such a case, no account shall be taken of the correspondence votes that the shareholder may have submitted earlier in respect of any voting that is to take place after that shareholder's registration in the attendance list. Shareholders voting by the correspondence vote shall be deemed to be present for the purposes of assessing whether a resolution has been adopted. -----

8. Any documents by which the shareholder or the shareholder's representative proves his/her/its identity, which are produced by foreign authorities or institutions or to which certification clauses of such foreign authorities or institutions are attached, shall contain another certification, i.e. shall be superlegalised or provided with an apostille or other clause (certification), which is required in official contact by the Czech authorities for similar foreign documents (or certification). If any such documents, clauses or certifications are made out in a foreign language (with the exception of the Slovak language), an official translation thereof into the Czech language shall also be attached. -----
9. Members of the Board of Directors shall always attend the General Meeting. Members of the Supervisory Board attend the General Meeting and the member authorised by the Supervisory Board shall report to the General Meeting on the results of the activities of the Supervisory Board. A member of the Board of Directors and a member of the Supervisory Board must be permitted to take the floor whenever they request this. An auditor may be invited to a relevant part of the General Meeting, so that

it may inform the shareholders of its findings, especially at General Meetings approving the Company's financial statements and annual report. Other persons invited by the Board of Directors may also participate in General Meetings as guests, unless the shareholders resolve by the majority of votes specified under Article 11 (4) to exclude them from the General Meeting. The General Meeting shall also be attended by persons providing the technical running of the General Meeting. -----

Article 11

General Meeting Procedures and Decision-Making

1. The General Meeting shall be opened by the person convening the General Meeting or a person appointed by it and shall be presided over by this person until the election of a chairperson. The same applies if a chairperson of the General Meeting is not elected. If the General Meeting is convened by a body, this body must authorise one of its members (or resolve to authorise another person) to preside over the General Meeting until the chairperson is elected or, as the case may be, if no chairperson of the General Meeting is elected. The task of the person convening the General Meeting or the person appointed by it is to ensure that the General Meeting elects a chairperson of the General Meeting, a minutes clerk, one or more verifiers of the minutes and a person or persons charged with counting the votes. If no minutes clerk, verifier of the minutes or person charged with counting the votes is elected, the person convening the General Meeting shall appoint them. The General Meeting may also resolve that a single person may act as both the chairperson of the General Meeting and the verifier of the minutes. The General Meeting may resolve that the chairperson of the General Meeting shall also count the votes, provided that this does not endanger the due course of the General Meeting. -----
2. The chairperson of the General Meeting may also be determined by the court if the General Meeting is convened by the shareholders specified in Article 9 (2) of these Articles of Association on the basis of a court authorisation. Following the election of the chairperson, the General Meeting shall be conducted by its new chairperson. -----
3. The General Meeting shall be quorate if attended by shareholders holding shares whose nominal value or number exceeds 30% of the Company's registered share capital. -----
4. The General Meeting shall adopt its resolutions by a simple majority of votes of the shareholders present, unless required otherwise by the Business Corporations Act or by these Articles of Association.
5. In order for the General Meeting to adopt a resolution under Section 8 (2) (m), a resolution on an amendment of the Articles of Association, a resolution as a consequence of which the Articles of Association are amended, a resolution on the authorisation of the Board of Directors to increase the registered share capital, a resolution on the possibility of offsetting a shareholder's receivable due from the Company against a receivable of the Company in respect of the payment of the issue price of shares, a resolution to issue convertible or priority bonds, a resolution on the winding-up of the Company with liquidation and a resolution on the distribution of the liquidation balance, the approval of at least a two-thirds majority of votes of the shareholders present is required. -----
6. The adoption by the General Meeting of a resolution under Section 8 (2) (m) and on a change of the registered share capital also requires the approval of shareholders in respect of each class of shares whose rights are to be affected by that resolution; in the case of voting in respect of a single class of shares, at least a two-thirds majority of votes of the shareholders present shall be required. -----
7. In order for the General Meeting to adopt a resolution on a change in the classes and types of shares, on a change of the rights attached to a certain class of shares, on the restriction of transferability of the registered shares, or on the withdrawal of participating securities from trading on a European regulated market, the approval of at least three quarters of the votes of the attending shareholders holding such shares shall be required. -----

8. A resolution on the exclusion or restriction of the priority right to the acquisition of convertible or priority bonds, on the distribution of profit or other Company's own sources to persons other than the shareholders under Section 34 (1) of the Business Corporations Act, on the exclusion or restriction of the priority right of a shareholder during an increase of the registered share capital by subscription for new shares, and on the increase in the registered share capital by in-kind contributions requires the approval of at least three quarters of the votes of present shareholders. If the Company has issued various classes of shares, the aforesaid resolutions require the approval of shareholders for each class of share the rights of which are affected by such resolution; when voting under the class of share, at least a three quarters majority of votes of the present shareholders is required. -----
9. In order for the General Meeting to adopt a resolution on the merger of shares or on a change in the class of shares to shares with which no voting rights are associated, the approval of all affected shareholders shall be required. -----
10. The resolutions of the General Meeting on transformation of the Company must be approved by at least three quarters of the votes of shareholders present, unless stipulated otherwise by law. -----
11. Resolutions of the General Meeting on matters under paragraph 5 of this Article and on other matters which take effect upon their registration in the Commercial Register must be certified by a public deed. The public deed must also include the approved wording of the amended Articles of Association (if amended). ---
12. A shareholder does not have to exercise the voting rights attached to all of its shares in the same manner; this also applies to a shareholder's proxy. -----
13. Issues not included in the agenda of the General Meeting may only be discussed and resolved on at such General Meeting if all shareholders of the Company agree to it. -----
14. The course of the General Meeting may be governed by the rules of procedure and voting approved by the General Meeting. -----

Article 12

Minutes of the General Meeting

1. Minutes of the General Meeting shall be prepared by the minutes clerk within 15 days of its conclusion.
2. The minutes of the General Meeting shall include: -----
 - a) the Company's business name and registered office; -----
 - b) the place and time of the General Meeting; -----
 - c) the name of the General Meeting's chairperson, minutes clerk, verifiers of the minutes and person(s) charged with vote counting; -----
 - d) a description of the discussion of individual matters on the agenda of the General Meeting; -----
 - e) the resolutions of the General Meeting and a record of voting results; -----
 - f) the content of the protest of a shareholder, member of the Board of Directors or of the Supervisory Board concerning a resolution of the General Meeting; and -----
 - g) other essentials, if stipulated by law for exceptional cases. -----
3. Submitted proposals and declarations and the attendance list shall be attached to the minutes. -----
4. The minutes shall be signed by the minutes clerk, by the chairperson of the General Meeting or by the person convening the General Meeting and by the minutes verifier(s). -----
5. The minutes of General Meetings, invitations to the General Meetings, as well as attendance lists shall be kept in the Company's archives for the whole period of the Company's existence. -----

B. Board of Directors

Article 13

Position and Powers of the Board of Directors

1. The Board of Directors is the statutory body of the Company. It manages the Company's business and acts on the Company's behalf in the manner specified in Article 36 of these Articles of Association. -----
2. The Board of Directors has all the powers which these Articles of Association, the legal regulations or a decision of a public authority does not reserve to another body of the Company. The Board of Directors is in charge of the Company's business management. -----
3. The Board of Directors shall be authorised, in particular, to: -----
 - a) convene the General Meeting under the conditions stipulated by law and execute its resolutions;
 - b) submit to the General Meeting for approval: -----
 - (i) at least once a year a report on the Company's business activities and on the state of its assets, in which it shall assess the state of the Company's assets and business activities in the accounting period in respect of which the financial statements are prepared and the anticipated further development of the Company's business activities, and which must be prepared within four months of the end of the relevant accounting period; -----
 - (ii) ordinary, extraordinary and consolidated financial statements, and interim financial statements; -----
 - (iii) proposals for the distribution of profit and/or other Company's own sources, including determination of the amount and manner of payment of shares in profit and/or in other Company's own sources and royalties (in Czech *tantiéma*), and proposals for coverage of losses; -----
 - (iv) proposals for the increase or reduction of the registered share capital; -----
 - (v) information on the purchase of the Company's own shares under Section 304 (2) of the Business Corporations Act; -----
 - (vi) proposals for the issue of bonds; -----
 - (vii) proposals for the distribution of the fund of uncollected dividends; -----
 - (viii) the remuneration (compensation) policy and the remuneration (compensation) report pursuant to the Act on Business Activities on the Capital Market; and -----
 - (ix) proposals for significant transactions under the conditions specified in Section 121s *et seq.* of the Act on Business Activities on the Capital Market; -----
 - c) send the shareholders no less than 30 days before the General Meeting financial statements which are to be submitted to the General Meeting for approval, or selected data from them, including specification of the time and place where the financial statements may be inspected; -----
 - d) grant and recall procuration (in Czech: *prokura*) and powers of attorney to the Company's representatives; and -----
 - e) establish obligatory funds of the Company under the generally binding legal regulations and, in cooperation with the Supervisory Board, stipulate the manner of their creation and drawing. -----
4. The Board of Directors shall be accountable for all its activities to the General Meeting and decides on Company matters collectively. The powers of the Board of Directors may be divided among individual members based on their particular qualifications. Division of powers does not release the other members of the Board of Directors from the obligation to monitor the management of the Company's matters. -----

Article 14
Composition of the Board of Directors, Term of Office, Meetings, and Decision-Making

1. The Board of Directors of the Company shall consist of six members, elected and recalled by the General Meeting. An individual or a legal entity complying with the conditions set out by law may become a member of the Board of Directors. If a legal entity is a member of the Board of Directors, it shall authorise without undue delay a single individual, who will meet the requirements and preconditions for the performance of office set out by law for a member of an elected body, to represent this entity in the Board of Directors. If the legal entity does not authorise a representative pursuant to this paragraph and if the representative is not registered in the Commercial Register within three months from the date on which the legal entity's office was established, its office shall be terminated. If an individual's authorisation pursuant to Section 46 (3) of the Business Corporations Act has expired, the legal entity shall authorise without undue delay another individual to represent that legal entity in the Board of Directors; if, however, the individual is not registered in the Commercial Register within three months from the date of expiry of the authorisation of the previous representative, the office of that legal entity as a member of the Board of Directors shall be terminated.
2. A person who does not comply with the conditions set out by law for the performance of office of member of the Board of Directors or for whom there is an obstacle to the performance of the office shall not become a member of the Board of Directors, even if elected by the General Meeting. Unless the Business Corporations Act or the Civil Code stipulates otherwise, if a member of the Board of Directors ceases to meet the conditions set out by law for the performance of the office, their office shall be terminated. This shall not affect any rights of third parties acquired in good faith. -----
3. The term of office of a member of the Board of Directors shall be three years. Members of the Board of Directors may be re-elected. -----
4. Provided that the number of members of the Board of Directors does not fall below two, the Board of Directors shall be entitled to appoint substitute members of the Board of Directors until the next General Meeting. The term of office of a substitute member of the Board of Directors shall not be included in the term of office of a member of the Board of Directors. -----
5. The term of office of members of the Board of Directors shall terminate, besides by expiry, upon:-----
 - (i) the death of the member of the Board of Directors; -----
 - (ii) the dissolution of a legal entity, unless stipulated otherwise by these Articles of Association or by law; -----
 - (iii) resignation of the member of the Board of Directors; -----
 - (iv) recall of the member of the Board of Directors by the General Meeting; -----
 - (v) election of a new member of the Board of Directors by the General Meeting, unless provided otherwise in the resolution of the General Meeting; or -----
 - (v) other termination of office in compliance with the law. -----
6. If a term of office of a member of the Board of Directors is terminated, the General Meeting is required to elect a new member of the Board of Directors within two months. If a legal entity which is a member of the Board of Directors is dissolved and has a legal successor, its legal successor shall become the member of the Board of Directors. -----
7. A member of the Board of Directors may resign from the office by a written notice addressed to the Board of Directors and delivered to the address of the Company's registered office. The Board of Directors shall subsequently discuss the resignation of the member of the Board of Directors no later than at the next meeting following the delivery of the relevant resignation statement to the Company. The term of office of such a member of the Board of Directors shall be terminated on the day on which that member's resignation was discussed or should have been discussed by the Board of Directors, unless another date of termination of office is approved by the Board of Directors at the request of the

resigning member of the Board of Directors. A member of the Board of Directors may also resign by announcing their resignation at a meeting of the Board of Directors or by submitting a written statement of resignation at a meeting of the Board of Directors to any member of the Board of Directors present, with that member's office to be terminated upon the expiry of two months after such announcement or submission of a written statement, unless another date of termination of office is approved by the Board of Directors at the request of the resigning member of the Board of Directors. A member of the Board of Directors may also resign in such a way that the notice of resignation is included in the agenda of the General Meeting and the resigning member of the Board of Directors notifies their resignation at this General Meeting. In such a case, the member's office shall terminate upon the member's notification of resignation at the General Meeting, unless the General Meeting approves another date of termination of office at the request of the resigning member of the Board of Directors. A member of the Board of Directors may not resign at a time that is inconvenient for the Company. -----

8. If the Board of Directors is incapable of performing its functions due to an insufficient number of members, the missing members shall be appointed by a court at the proposal of a person legally interested in this for such period of time until any missing member or members of the Board of Directors are duly elected; otherwise, the court may wind up the Company, even without any proposal, and may order its liquidation. -----
9. Members of the Board of Directors shall elect one of their peers as the chairperson of the Board of Directors and shall also recall the chairperson. -----
10. The Board of Directors shall take decisions by resolutions usually adopted in the course of its meetings. Meetings of the Board of Directors shall be held as frequently as necessary; however, at least twice a year. The meetings shall be presided by the chairperson. -----
11. A meeting of the Board of Directors shall be convened by the chairperson of the Board of Directors and, if the Board of Directors does not have a chairperson, by any member of the Board of Directors, by a written invitation which includes the place, date, time and proposed agenda of the meeting. Each member of the Board of Directors shall receive an invitation with the materials for the meeting at least 10 calendar days before the meeting of the Board of Directors. A meeting of the Board of Directors may be convened by phone, e-mail or fax, or with the use of any other suitable technical means, no later than three calendar days before the meeting. If a meeting of the Board of Directors is convened by phone or with the use of any other suitable technical means, it must also be simultaneously convened by fax or e-mail and the invitation must include the aforesaid required information. The time limits stated above do not apply to outside-of-meeting resolutions of the Board of Directors. The chairperson of the Board of Directors must convene a meeting of the Board of Directors if requested by at least two members of the Board of Directors or the Supervisory Board. Meetings of the Board of Directors shall be held at the Company's registered office, unless the invitation states otherwise. The Board of Directors may, at its discretion, invite to its meetings members of other bodies of the Company, the Company's employees or shareholders, or other persons. A member of the Supervisory Board may attend the meeting of the Board of Directors if the Supervisory Board so requests. Each member of the Board of Directors shall perform their office in person; however, this does not prevent any member of the Board of Directors from authorising another member of the Board of Directors to vote on behalf of the authorising member of the Board of Directors at the meeting of the Board of Directors in their absence at an individual occasion. -----
12. The Board of Directors shall be quorate if a simple majority of its members are present. A resolution of the Board of Directors shall be adopted if approved by a simple majority of members present. Each member of the Board of Directors shall have one vote. In the event of a tie vote, the chairperson's vote shall be decisive. -----
13. Each individual member of the Board of Directors, or all members of the Board of Directors, may attend a meeting of the Board of Directors and vote even if they are not present at the meeting in person, irrespective of whether or not the number of members present in person at the place of the meeting is sufficient for the Board of Directors to have a quorum. Those members of the Board of Directors who attend the Board of Directors meetings and are not present in person at the place of the meeting shall vote by telephone or any other communication system that allows all persons attending the meeting to hear each other (e.g. teleconferencing or video conferencing). Any person attending the meeting and -----

voting in this manner shall be considered present at the meeting and shall be entitled to vote. Other details of the course of the meeting pursuant to this paragraph may be stipulated in the rules of procedure of the Board of Directors. -----

14. The Board of Directors may, at the proposal of its chairperson or, if the Board of Directors does not have a chairperson, at the proposal of another member of the Board of Directors, adopt resolutions outside of a meeting by way of a written vote and/or voting by e-mail, fax or any other suitable technical means. The members voting outside of a meeting shall be considered present. The Board of Directors is quorate for outside-of-meeting voting if a simple majority of the members of the Board of Directors participate in the voting. A resolution shall be adopted if approved by a simple majority of votes of the members voting outside of its meetings. In the event of a tie vote, the chairperson's vote shall be decisive. All organisational matters related to decision-making outside of the meeting of the Board of Directors shall be arranged for by the chairperson of the Board of Directors. Resolutions adopted outside of meetings of the Board of Directors must be incorporated into the minutes at the nearest meeting of the Board of Directors. Other details of the course of adopting resolutions outside a meeting pursuant to this paragraph may be stipulated in the rules of procedure of the Board of Directors. -----
15. Minutes of meetings of the Board of Directors and of their resolutions shall be executed and signed by the chairperson of the Board of Directors and the minutes clerk. The list of attendees shall form an annex to the minutes. A member of the Board of Directors or any other person may be the minutes clerk. The minutes shall describe the manner in which the individual items on the agenda of the meeting of the Board of Directors were discussed and the resolutions adopted on these items, including the numbers of votes by which each resolution was adopted. The minutes of the meeting of the Board of Directors must specify the names of the members of the Board of Directors who voted against separate resolutions of the Board of Directors or abstained from voting. The minutes shall also contain information on whether the Board of Directors was quorate during the entire meeting. Members of the Board of Directors not specified in the minutes as voting against shall be understood to have voted for the resolution, unless it is proved otherwise. The costs related with the meetings and other activities of the Board of Directors shall be borne by the Company. -----

Article 15

Obligations of Members of the Board of Directors

1. Members of the Board of Directors shall exercise their authority with due care and necessary loyalty, qualification and diligence. A person who acts with diligence and necessary qualification in making business decisions is someone who can reasonably anticipate in good faith that they act on an informed basis and in the justifiable interest of the Company. This shall not apply if any such decisions were not made with necessary loyalty. A member of the Board of Directors may ask the General Meeting for an instruction regarding business management. This shall not affect their duty to act with due care. -----
2. The rights and duties between the Company and a member of the Board of Directors shall be governed by applicable provisions of the Civil Code on mandate agreements *mutatis mutandis*, unless anything else arises from the agreement on performance of office (if executed) or from the law. -----
3. A member of the Board of Directors who breaches their duty of acting with due care shall return to the Company any benefit they obtained by such acting. If the benefit cannot be returned, the relevant member of the Board of Directors shall compensate it to the Company in money. If harm is caused to the Company due to a member's breach of their duty to act with due care, the Company may settle it pursuant to the agreement concluded with the obligor. For such an agreement to be effective, consent of the General Meeting adopted by at least a two-thirds majority of votes of all shareholders is required. Legal actions of the Company restricting the liability of a member of the Board of Directors shall not be taken into account. -----

4. If a member of the Board of Directors fails to compensate the Company for the damage they caused to it by a breach of their duties in the performance of their office, although they were obliged to compensate the Company for such damage, this member of the Board of Directors shall be liable towards a creditor of the Company for the Company's debt to the extent to which this member of the Board of Directors fails to compensate the Company for the damage, if the creditor is unable to collect the performance from the Company. -----
5. A member of the Board of Directors may not: -----
 - (a) carry out business in the Company's scope of activities, not even for the benefit of other persons, or mediate any of the Company's business for other persons;-----
 - (b) be a member of the statutory body of any other legal entity with the same or similar scope of activities or a person in a similar position, unless it is a holding or a person controlled by the Company, a person controlling the Company, or related persons;-----
 - (c) take part in the business activities of another business corporation as a member with unlimited liability or as a controlling person of another entity with the scope of activities that is identical or similar to the scope of activities of the Company.-----

A breach of the above obligations shall have the consequences specified in Section 5 of the Business Corporations Act.-----
6. If a member of the Board of Directors expressly draws the attention of the General Meeting to any of the circumstances specified in paragraph 5 of this Article upon their election to office or if any such circumstance occurs later and the relevant member of the Board of Directors notifies it in writing, it shall be deemed that this member of the Board of Directors is not prohibited from carrying out the activity to which the prohibition under paragraph 5 of this Article applies. This shall not apply if the General Meeting expresses its disagreement with the activity pursuant to paragraph 5 of this Article within one month from the date on which it was notified about the circumstances pursuant to paragraph 5 of this Article. Any notification by a member of the Board of Directors pursuant to this paragraph shall be specified in the invitation to the General Meeting and the agenda of this meeting shall contain the voting on any potential disagreement of the General Meeting with the activity of the member of the Board of Directors pursuant to paragraph 5 of this Article. -----
7. If the Company intends to enter into an agreement with an influential or controlling person or with a person controlled by the same controlling person, a member of the Board of Directors shall inform the Supervisory Board thereof without undue delay. This shall not apply if the agreement is concluded with a managing person or with another person that is a member of the same group. -----

C. Supervisory Board

Article 16

Position and Powers of the Supervisory Board

1. The Supervisory Board shall supervise the performance of the Board of Directors and the activities of the Company. The Supervisory Board shall adhere to the principles approved by the General Meeting, unless in conflict with the Business Corporations Act or these Articles of Association. No breach of these principles shall have any effects towards third parties. No one is entitled to grant instructions to the Supervisory Board relating to its statutory obligation to supervise the performance of the Board of Directors. -----
2. The Supervisory Board: -----
 - a) shall assess specific trends in the activities of the Company and its business policy and supervise its implementation;-----
 - b) shall review the ordinary, extraordinary, consolidated, and interim financial statements as well as the proposal for the distribution of profit or other Company's own sources and coverage of losses and submit its views to the General Meeting; -----
 - c) may, through any of its members, inspect all documents and records concerning the activities of the Company;-----

- d) shall check whether the accounting books have been duly kept and accurately reflect reality, and whether the Company's business activities or any other activities are carried out in compliance with legal regulations and these Articles of Association;-----
 - e) shall convene the General Meeting if the Company's interests so require and propose any necessary measures at the General Meeting;-----
 - f) shall designate one of its members to represent the Company in proceedings before courts and any other authorities conducted against any member of the Board of Directors; -----
 - g) may prohibit a member of the Board of Directors from certain legal actions, if this is in the interest of the Company; and-----
 - h) shall provide for an internal procedure allowing for regular review of significant transactions pursuant to Section 121v (3) of the Act on Business Activities on the Capital Market. -----
3. If a member of an elected body of the Company intends to conclude an agreement with the Company, they shall inform the body of which they are a member and the Supervisory Board of this without undue delay. A member of the Supervisory Board shall inform the Supervisory Board; if that member is the only member of the Supervisory Board, they shall inform the General Meeting. They shall also specify under what conditions the agreement is to be concluded. The above shall apply analogously to agreements between the Company and any persons close to a member of a body of the Company or any persons influenced or controlled by a member of a body of the Company, and also if the Company is to secure or affirm any debts of persons specified in this paragraph or if the Company is to become a co-debtor together with these persons. The Supervisory Board may prohibit a member of a body of the Company from concluding such an agreement with the Company if this is not in the interest of the Company. This paragraph shall not apply to any agreements concluded within the ordinary course of business.-----

Article 17

Composition of the Supervisory Board and Term of Office

1. The Supervisory Board shall consist of six members who may be individuals or legal entities meeting the requirements of the law. Two members of the Supervisory Board shall be elected and recalled by the Company's employees in accordance with the Business Corporations Act and the remaining four members shall be elected and recalled by the General Meeting. The term of office of a member of the Supervisory Board shall be three years. Members of the Supervisory Board can be re-elected.-----
2. A member of the Supervisory Board must not be simultaneously a member of the Board of Directors or any other person authorised – according to the entry in the Commercial Register – to act on behalf of the Company. If the number of members of the Supervisory Board has not fallen below half of its members, the Supervisory Board may appoint a substitute member to hold the office until the next General Meeting. The term of office of a substitute member of the Supervisory Board shall not be included into the term of office of a member of the Supervisory Board. -----
3. Members of the Supervisory Board shall elect one of their peers as chairperson of the Supervisory Board and shall also recall the chairperson. -----
4. Members of the Supervisory Board shall participate in the General Meeting and an authorised member of the Supervisory Board shall report to the General Meeting the results of the activities of the Supervisory Board. Any members of the Supervisory Board must be permitted to take the floor whenever they so request; they may also submit proposals for the General Meeting agenda. -----
5. The Supervisory Board shall designate one of its members to represent the Company in proceedings before courts and any other authorities conducted against any member of the Board of Directors. -----
6. The provisions of Article 14 (5), (6) and (8) shall apply analogously to members of the Supervisory Board. A member of the Supervisory Board may resign from the office by a written notice addressed to the Supervisory Board and delivered to the address of the Company's registered office. The Supervisory Board shall subsequently discuss the resignation of the member of the Supervisory Board no later than

at the next meeting following the delivery of the relevant resignation statement to the Company. The term of office of such a member of the Supervisory Board shall be terminated on the day on which that member's resignation was discussed or should have been discussed by the Supervisory Board, unless another date of termination of office is approved by the Supervisory Board at the request of the resigning member of the Supervisory Board. A member of the Supervisory Board may also resign by announcing their resignation at a meeting of the Supervisory Board or by submitting a written statement of resignation at a meeting of the Supervisory Board to any member of the Supervisory Board present, with that member's office to be terminated upon the expiry of two months after such announcement or submission of a written statement, unless another date of termination of office is approved by the Supervisory Board at the request of the resigning member of the Supervisory Board. A member of the Supervisory Board may also resign in such a way that the notice of resignation is included in the agenda of the General Meeting and the resigning member of the Supervisory Board notifies their resignation at this General Meeting. In such a case, the member's office shall terminate upon the member's notification of resignation at the General Meeting, unless the General Meeting approves another date of termination of office at the request of the resigning member of the Supervisory Board. A member of the Supervisory Board may not resign at a time that is inconvenient for the Company. Section 58 (1) of the Business Corporations Act shall not apply. -----

Article 18

Meetings of the Supervisory Board and Decision-Making

1. Meetings of the Supervisory Board shall be convened as often as required and presided over by the chairperson of the Supervisory Board. -----
2. A meeting of the Supervisory Board shall be convened by the chairperson of the Supervisory Board and, if the Supervisory Board does not have a chairperson, by any member of the Supervisory Board, by a written invitation which includes the place, date, time and proposed agenda of the meeting. Each member of the Supervisory Board shall receive an invitation with the materials for the meeting at least 10 calendar days before the meeting of the Supervisory Board. A meeting of the Supervisory Board may be convened by phone, e-mail or fax, or with the use of any other suitable technical means, no later than three calendar days before the meeting. If a Meeting of the Supervisory Board is convened by phone or with the use of any other suitable technical means, it must also be simultaneously convened by fax or e-mail and the invitation must include the aforesaid required information. The time limits stated above do not apply to outside-of-meeting resolutions of the Supervisory Board. The chairperson of the Supervisory Board must convene a Meeting of the Supervisory Board if requested by any member of the Supervisory Board. The Meeting of the Supervisory Board shall be held at the Company's registered office, unless the invitation provides otherwise. Members of the Supervisory Board shall perform their office in person; however, this will not prevent a member authorising another member of the Supervisory Board in an individual case to vote on their behalf at a meeting of the Supervisory Board in their absence. The Supervisory Board may, at its discretion, invite members of other bodies of the Company, its employees or shareholders, or other persons to its meetings. -----
3. The Supervisory Board shall be quorate if a simple majority of its members are present. Each member shall have one vote. A resolution shall be adopted if approved by a simple majority of all members of the Supervisory Board. -----
4. Each individual member of the Supervisory Board, or all members of the Supervisory Board, may attend a meeting of the Supervisory Board and vote even if they are not present at the meeting in person, irrespective of whether or not the number of members present in person at the place of the meeting is sufficient for the Supervisory Board to have a quorum. Those members of the Supervisory Board who attend the Supervisory Board meetings and are not present in person at the place of the meeting shall vote by telephone or any other communication system that allows all persons attending the meeting to hear each other (e.g. teleconferencing or video conferencing). Any person attending the meeting and voting in this manner shall be considered present at the meeting and shall be entitled to vote. As regards other details of the meeting, the provisions of Article 14 (13) shall apply by analogy. -----

5. The provisions of Article 14 (14) shall apply analogously to resolutions taken by the Supervisory Board outside its meeting; however, approval by a majority of votes of all the members of the Supervisory Board is required for such a resolution to be adopted.-----
6. The Supervisory Board shall execute the minutes of its meetings and resolutions which shall be signed by the chairperson of the meeting. The list of attendees will be attached as an annex to the minutes. The minutes must include a description of the discussion on the individual items on the agenda of the Supervisory Board and the resolutions adopted, including the number of votes by which the respective resolution was adopted. The minutes of a meeting of the Supervisory Board shall specify the names of the members of the Supervisory Board who voted for the adoption of the individual resolution or who abstained from voting; if the minutes of the Supervisory Board's meeting does not specify whether its member voter for the adoption of the individual resolution or abstained from voting, such member will be deemed to have voted for the adoption of the resolution. The opinions of the minority of the members of the Supervisory Board shall also be recorded in the minutes, if they so require. The minutes shall also contain information on whether the Supervisory Board was quorate during the entire meeting. -----
7. If the Supervisory Board does not give its consent to actions of the Board of Directors for which the prior consent of the Supervisory Board is required by law or the Articles of Association, or if the Supervisory Board prohibits the Board of Directors from taking an action, the members of the Supervisory Board who failed to act with due care will be held liable instead of the members of the Board of Directors for any harm caused to the Company. If the Supervisory Board gives its consent to the actions referred to in the first sentence, the members of the Supervisory Board and the Board of Directors who failed to act with due care shall be held liable jointly and severally for any harm. -----
8. The costs related to the meetings and other activities of the Supervisory Board shall be borne by the Company.
9. The provisions of Article 15 of these Articles of Association shall apply analogously to the members of the Supervisory Board.-----
10. The Election Rules governing the elections and recalls of those members of the Supervisory Board that are elected by employees shall be prepared by the Board of Directors after a consultation with the trade union.

D. Audit Committee

Article 19

Position and Powers of the Audit Committee

1. The Audit Committee is a Company body whose powers include, in particular, the following:-----
 - a) monitoring of the process of preparing the financial statements and consolidated financial statements and presenting of recommendations to the Board of Directors or the Supervisory Board to ensure the integrity of the accounting and financial reporting systems;-----
 - b) monitoring of the efficiency of the Company's internal controls and of the risk management system; -----
 - c) monitoring of the efficiency of the internal audit and its functional independence (provided that the internal audit function has been established); -----
 - d) monitoring of the process of statutory audits; -----
 - e) assessment of the independence of statutory auditors and auditing firm(s) and, in particular, the provision of non-audit services to the Company; -----
 - f) recommendation of auditor to the Supervisory Board, providing a proper justification for the recommendation (unless a relevant legal regulation applicable to the Company stipulates otherwise); -----
 - g) discussing with the auditor the threats to the auditor's independence and the respective safeguard measures, which the auditor has accepted in order to mitigate those threats; -----
 - h) informing the Supervisory Board (i) about the results of the statutory audit and its findings obtained during the process of monitoring the statutory audit; and (ii) about the manner in which

the statutory audit contributed to ensuring the integrity of the accounting and financial reporting systems;

- i) approval of the provision of other non-audit services; -----
 - j) acceptance of information, statements and communication according to the applicable legal regulations from the auditor and discussion of such information, statements and communication with the auditor; and -----
 - k) informing of other bodies of the Company as necessary regarding matters that are within the powers of the Audit Committee. -----
2. The Audit Committee is allowed to access and view the documents and records relating to the Company's activities to the extent necessary for the performance of its activities. -----
 3. The Audit Committee also has other powers that follow from Act No. 93/2009 Coll., on Auditors and on Amendment of Certain Other Laws (the Act on Auditors), as amended, from other relevant legal regulations applicable to the activities of the Audit Committee, these Articles of Association or other internal regulations of the Company. In the case of any amendments of the legal regulations applicable to the powers of the Audit Committee, the powers of the Audit Committee shall be modified so that they comply with the amended legal regulations. -----
 4. The powers of the Audit Committee do not affect the powers of the other bodies of the Company pursuant to the legal regulations and these Articles of Association.-----

Article 20

Composition of the Audit Committee and Term of Office

1. The Audit Committee shall consist of three members who can be individuals or legal entities meeting the requirements of the relevant legal regulations with respect to the performance of this office. The members of the Audit Committee shall be appointed and recalled by the General Meeting.-----
2. The term of office of a member of the Audit Committee is three years. The members of the Audit Committee may be re-elected. -----
3. The members of the Audit Committee elect one of their peers as the chairperson of the Audit Committee and shall also recall the chairperson. -----
4. Provided that the number of members of the Audit Committee does not fall below two, the Audit Committee shall be entitled to appoint substitute member of the Audit Committee until the next General Meeting. The term of office of a substitute member of the Audit Committee shall not be included in the term of office of a member of the Audit Committee. -----
5. The provision of Article 14 (5) and (6) shall be applied analogously also to members of the Audit Committee. -----
6. A member of the Audit Committee may resign from the office by a written notice addressed to the Audit Committee and delivered to the address of the Company's registered office. The Audit Committee shall subsequently discuss the resignation of the member of the Audit Committee no later than at the next meeting following the delivery of the relevant resignation statement to the Company. The term of office of such a member of the Audit Committee shall be terminated on the day on which that member's resignation was discussed or should have been discussed by the Audit Committee, unless another date of termination of office is approved by the Audit Committee at the request of the resigning member of the Audit Committee. A member of the Audit Committee may also resign by announcing their resignation at a meeting of the Audit Committee or by submitting a written statement of resignation at a meeting of the Audit Committee to any member of the Audit Committee present, with that member's office to be terminated upon the expiry of two months after such announcement or submission of a written statement, unless another date of termination of office is approved by the Audit Committee at the request of the resigning member of the Audit Committee. A member of the Audit Committee may also resign from their office in such a way that an item will be included in the agenda of the General Meeting, under which the resignation from the office will be announced, and the member of the Audit Committee will then announce their resignation at the General Meeting. In such a case, the member's

term of office terminates upon announcement of the resignation from the office at the General Meeting, unless the General Meeting determines another date of termination of office at the request of the resigning member. The term of office of a member of the Audit Committee shall also terminate upon election of a new member, unless something else ensues from the resolution of the General Meeting. A member of the Audit Committee may not resign at a time that is inconvenient for the Company. -----

7. Members of the Audit Committee participate in the General Meetings of the Company. They are obliged to inform the General Meeting of the results of their activities. -----

Article 21

Meetings of the Audit Committee and Decision-Making

1. Meetings of the Audit Committee shall be convened as often as required and presided over by the chairperson of the Audit Committee. -----
2. A meeting of the Audit Committee shall be convened by the chairperson of the Audit Committee and, if the Audit Committee does not have a chairperson, by any member of the Audit Committee, by a written invitation which includes the place, date, time and proposed agenda of the meeting. Each member of the Audit Committee shall receive an invitation with the materials for the meeting at least 10 calendar days before the meeting of the Audit Committee. A meeting of the Audit Committee may be convened by phone, e-mail or fax, or with the use of any other suitable technical means, no later than three calendar days before the meeting. If a meeting of the Audit Committee is convened by phone or with the use of any other suitable technical means, it must also be simultaneously convened by fax or e-mail and the invitation with materials must include the aforesaid required information. The time limits stated above do not apply to outside-of-meeting resolutions of the Audit Committee. The chairperson of the Audit Committee must convene a meeting of the Audit Committee if requested by any member of the Audit Committee. If, in such a case, a meeting of the Audit Committee is not convened within five business days of the delivery of the request for convocation of a meeting of the Audit Committee to the chairperson of the Audit Committee, or if the Audit Committee does not have a chairperson, the meeting of the Audit Committee may be convened and conducted by the given member of the Audit Committee. The meeting of the Audit Committee shall be held at the Company's registered office, unless the invitation provides otherwise. Members of the Audit Committee shall perform their office in person; however, this will not prevent a member authorising another member of the Audit Committee in an individual case to vote on their behalf at a meeting of the Audit Committee in their absence. The Audit Committee may, at its discretion, invite to its meetings members of other bodies of the Company, its employees or shareholders, or other persons. -----
3. The Audit Committee is quorate if more than half of its members are present. Every member of the Audit Committee has one vote. Resolutions of the Audit Committee shall be adopted if they are approved by more than half of all the members of the Audit Committee, unless these Articles of Association or the legal regulations require a higher number of votes necessary for the adoption of resolutions. In the event of a tie vote, the chairperson's vote shall be decisive. -----
4. Each individual member of the Audit Committee, or all members of the Audit Committee, may attend a meeting of the Audit Committee and vote even if they are not present at the meeting in person, irrespective of whether or not the number of members present in person at the place of the meeting is sufficient for the Audit Committee to have a quorum. Those members of the Audit Committee who attend the Audit Committee meetings and are not present in person at the place of the meeting shall vote by telephone or any other communication system that allows all persons attending the meeting to hear each other (e.g. teleconferencing or video conferencing). Any person attending the meeting and voting in this manner shall be considered present at the meeting and shall be entitled to vote. As regards other details of the meeting, the provisions of Article 14 (13) shall apply by analogy. -----
5. The provisions of Article 14 (14) apply analogously to adopting resolutions outside meetings of the Audit Committee; however, approval by a majority of votes of all the members of the Audit Committee is required for such a resolution to be adopted. -----

6. The Audit Committee shall execute the minutes of its meetings and resolutions which shall be signed by the chairperson of such meeting (or by all members of the Audit Committee present); the list of attendees will be attached as an annex to the minutes. The minutes must include a description of the discussion on the individual items on the agenda of the Audit Committee and the resolutions adopted, including the number of votes by which the respective resolution was adopted. The minutes of a meeting of the Audit Committee shall specify the names of the members of the Audit Committee who voted for the adoption of the individual resolution or who abstained from voting; if the minutes of the Audit Committee's meeting does not specify whether its member voter for the adoption of the individual resolution or abstained from voting, such member will be deemed to have voted for the adoption of the resolution. The opinions of the minority of the Audit Committee's members shall also be recorded in the minutes, if they require so. -----
7. The costs related to the meetings and other activities of the Audit Committee shall be borne by the Company. -----

III. Economic Management of the Company

Article 22

Records, Accounting, and Ordinary Financial Statements

1. The accounting period of the Company corresponds to the calendar year. -----
2. The Company's records and account books shall be maintained in a manner complying with the applicable generally binding legal regulations. The Board of Directors shall be responsible for proper bookkeeping. -----
3. The Board of Directors shall submit the financial statements to the auditors together with a request for a review of the business activities of the Company for the relevant period. Having received the auditor's report on the review of the financial statements and business activities of the Company, the Board of Directors shall submit the financial statements and the auditor's report to the Supervisory Board together with the proposal for the distribution of profit and/or other Company's own sources or for the coverage of losses. -----
4. The Supervisory Board shall examine the financial statements and the proposal for the distribution of profit and/or other Company's own sources or for the coverage of losses and provide its statement to the General Meeting. -----
5. The Company is required to publish the financial statements and the annual report after the relevant statutory conditions are met. -----
6. The Company shall compile the set of information prescribed by the legal regulations and provide information on its activities to the authorities pursuant to generally binding legal regulations. -----
7. The Company shall not create a reserve fund from profit. -----
8. The Board of Directors of the Company can create non-mandatory funds of the Company in accordance with the legal regulations, decide on allotments into and use of such funds, except for cases where resolutions on the allotments into or use of so created funds are made by the General Meeting. -----
9. The Company creates a fund of uncollected dividends. -----

Article 23

Distribution of Profit and/or Other Company's Own Sources and Coverage of Losses

1. The profit and/or other Company's own sources shall be distributed, or losses covered, in the manner approved by the General Meeting after the examination by the Supervisory Board of the manner proposed by the Board of Directors. -----
2. The profit and/or also other Company's own sources may also be distributed among members of the bodies of the Company (royalties). -----

3. The profit (or other Company's own sources) remaining after the payment of tax and other similar liabilities shall be used in accordance with the resolution of the General Meeting in the following order and in the following way:-----
 - a) allotments to the Company's other funds, if such exist;-----
 - b) other purposes determined by the General Meeting;-----
 - c) the payment of shares in profit and/or in other Company's own sources to shareholders;-----
 - d) the payment of shares in profit and/or in other Company's own sources to members of the bodies of the Company (royalties).-----

The order specified above shall not be binding upon the General Meeting. The General Meeting is not obliged to resolve on the use of the profit or other Company's own sources in all manner specified above.-----
4. The Company may not pay out shares in profit and/or in other Company's own sources, if this would lead to the insolvency of the Company pursuant to another legal regulation. This shall also apply to any advance payment of the shares in profit. -----
5. A shareholder's share in the profit and in other Company's own sources shall be determined based on the proportion of the nominal value of the shares owned by the particular shareholder to the Company's registered share capital. -----
6. *The condition for the payment of a share in profit and/or in other Company's own sources or in the liquidation balance to a shareholder is the entry of that shareholder's beneficial owner in the register of beneficial owners in accordance with the Act on Register of Beneficial Owners, if the shareholder is obliged to arrange for the entry of the beneficial owner. In order to verify these facts, the shareholder may be invited to submit an up-to-date extract from the register of beneficial owners and a related declaration confirming that the information entered in the register and stated in the submitted extract is up-to-date. The essentials associated with the submission of this extract and the related declaration shall be set out in the invitation to the General Meeting (or in the draft resolution). If the shareholder does not provide, based on a request stated in the invitation to the General Meeting (or in the draft resolution), the extract proving the registration of its beneficial owner and the related declaration (if requested) for the purpose of payment of a share in profit and/or in other Company's own sources or in the liquidation balance, the Company shall not pay the given shares or liquidation balance. Any right to a share in profit and/or in other Company's own sources that has not been paid due to the absence of the entry of the beneficial owner in the relevant register under the Act on Register of Beneficial Owners by the end of the accounting period in which it was resolved on its payment, shall cease to exist.*⁴ -----
6. The Company may provide financial assistance under the conditions defined by the Business Corporations Act.
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IV. Registered Share Capital Increase

Article 24

Registered Share Capital Increase

1. The increase of the Company's registered share capital shall be decided on by the General Meeting or, under the conditions stipulated in Sections 511 to 515 of the Business Corporations Act, by the Board of Directors. The resolution shall be adopted in accordance with the conditions stipulated in these Articles of Association and by generally binding legal regulations, and in the manner indicated by them. The resolution on the registered share capital increase shall be certified by a public deed. The Company can increase its registered share capital in the following ways: -----

⁴ The wording of Article 23 (6) in italics shall take effect on 1 June 2021.

⁵ The existing Article 23 (6), in the wording effective until 1 June 2021, shall be re-numbered to Article 23 (7) effective as of 1 June 2021.

- a) subscription for new shares (Section 474 *et seq.* of the Business Corporations Act); -----
 - b) from the Company's own sources (Section 495 *et seq.* of the Business Corporations Act); and ----
 - c) conditionally, by the issuing of convertible or priority bonds (Section 505 *et seq.* of the Business Corporations Act).-----
2. The registered share capital increase shall become effective upon registration of the new amount of the registered share capital in the Commercial Register, unless the registered share capital is increased by a company whose shares are accepted for trading on a regulated European market or whose issuance is the last condition for such shares being accepted on a regulated European market. -----
 3. If the registered share capital is increased by subscription of new shares by a company whose shares are accepted for trading on a regulated European market or whose issuance is the last condition for such shares being accepted on a regulated European market, the registered share capital increase shall become effective upon subscription of the shares and provision of all non-monetary contributions or upon payment of the part of their issue price determined by these Articles of Association or a resolution of the General Meeting on the registered share capital increase with whose payment that resolution associates the effects of the registered share capital increase; if such part of the issue price is determined by these Articles of Association, a resolution of the General Meeting on the registered share capital increase may determine a different moment of the effect of the registered share capital increase. However, the registered share capital increase cannot become effective earlier than the shares having been subscribed and later than the new amount of the registered share capital having been registered in the Commercial Register. -----

Article 25

Registered Share Capital Increase by Subscription for New Shares

1. The increase of the registered share capital by subscription for new shares shall be admissible only if the shareholders have fully paid the issue price of shares subscribed for before, unless the outstanding part of the issue price is negligible in relation to the amount of the registered share capital and the General Meeting expresses its consent to such increase of the registered share capital. This restriction shall not apply if the registered share capital is being increased by in-kind contributions only. -----
2. The Board of Directors shall file an application for the registration of the resolution of the General Meeting in the Commercial Register without undue delay. The application for the registration of the resolution of the General Meeting may be combined with an application for registration of the new amount of the registered share capital in the Commercial Register. -----
3. Each shareholder shall have a priority right to subscribe for part of the new shares of the Company which are being subscribed for with the aim of increasing the registered share capital based on the proportion of the nominal value of the shares owned by that shareholder to the registered share capital, if the issue price thereof is to be paid in money.-----
4. The Board of Directors shall notify the shareholders of the information concerning the priority right, which must contain all the essentials stipulated by law, in the manner determined by law and these Articles of Association for convening the General Meeting and, at the same time, shall officially publish such information. The period for the exercise of the priority right must not be shorter than two weeks from the delivery of information to this effect. -----
5. The priority right of shareholders to subscribe, in the proportion of their shares in the registered share capital, for part of the new shares of the Company which are being subscribed for with the aim of increasing the registered share capital, can only be excluded or restricted by a resolution of the General Meeting on the increase of the registered share capital if it is important for the Company's interests. The priority right may only be restricted or excluded to the same extent in relation to all the shareholders. -----
6. In its resolution on the increase of the registered share capital, the General Meeting can resolve that a determined portion or all of the shares not subscribed for by the use of priority rights can be subscribed for by shareholders based on an agreement under Section 491 of the Business Corporations Act, or can be offered to a designated interested party or parties, together with the specification of such parties and/or the manner of selecting such party or parties, or that they will be offered for subscription based on a public offer.-----

7. The General Meeting can also resolve that all shares will be subscribed for by a securities dealer based on a contract for the procurement of the issue of securities. In such case, the contract shall contain the securities dealer's duty to sell the subscribed shares to persons who have a priority right to subscription for shares, upon their request, for a determined price, within the specified period and to the extent of their priority right to subscription for new shares. -----

Article 26

Registered Share Capital Increase from the Company's Own Sources

1. Based on a resolution of the General Meeting, the Company may issue bonds carrying the right of conversion into shares or priority bonds carrying the right to priority subscription for shares.-----
2. The General Meeting can resolve that the registered share capital will be increased from the Company's own sources as shown in the Company's equity entry in the approved ordinary, extraordinary or interim financial statements, unless such sources are earmarked for a special purpose and the Company may not change the purpose. Net profit may not be used for increasing the registered share capital based on interim financial statements.-----
3. The registered share capital may be increased from the Company's sources only if the financial statements on which the resolution of the General Meeting is based are verified by an auditor without a qualified opinion. The auditor shall verify the financial statements for the purposes of the resolution as per the preceding sentence based on data ascertained no later than as of the day which is no more than six months after the date when the resolution of the General Meeting on the increase of the registered share capital from own sources is adopted. If, however, the Company finds out from any interim financial statements that its own sources have been reduced, it will not use the data from the ordinary or extraordinary financial statements, but will use the data recorded in the interim financial statements referred to above.-----
4. The registered share capital increase may not be higher than the difference between equity and the sum of the registered share capital and the other sources of the Company that are earmarked for a special purpose and where the Company may not change the purpose. -----
5. The shareholders shall participate in the registered share capital increase in the proportion corresponding to the nominal value of their shares. Company shares owned by the Company or by an entity controlled by the Company or an entity controlled by the entity controlled by the Company shall also participate in the registered share capital increase. Where no-par value shares were issued, the shareholders shall participate in the registered share capital increase in the proportion corresponding to the number of the no-par value shares owned by them.-----
6. The registered share capital increase from the Company's own sources shall be performed either by the issuing of new shares and their distribution among the shareholders free of charge or by increasing the nominal value of the existing shares. -----

Article 27

Conditional Increase of the Registered Share Capital

1. If the General Meeting resolves to issue convertible or priority bonds, it shall simultaneously adopt a resolution on the increase of the registered share capital to the extent in which the convertible rights associated with the convertible bonds or priority subscription rights associated with priority bonds can be exercised, unless the bonds are supposed to be converted into already issued shares.-----
2. The Board of Directors shall file an application for registration of the new amount of the registered share capital in the Commercial Register without undue delay following the lapse of the time limit for the exercise of the convertible or priority subscription rights and only to the extent of the convertible or priority subscription rights so exercised.-----

3. Following the registration of the new amount of the registered share capital in the Commercial Register, the Company shall issue shares to the extent of the convertible and priority subscriptions rights that have been exercised. When converting bonds into shares, the Company shall proceed pursuant to Sections 503, 504 and 537 to 541 of the Business Corporations Act, with necessary modifications. -----

Article 28

Increase of the Registered Share Capital by the Board of Directors

1. The General Meeting can authorise the Board of Directors to resolve, under the conditions set by the Business Corporations Act and these Articles of Association, on the increase of the Company's registered share capital by subscription for new shares, conditional registered share capital increase or an increase of the registered share capital from the Company's own sources, at most by one half of the amount of the registered share capital existing at the time when the Board of Directors is so authorised by the General Meeting. The authorisation as per the preceding sentence shall substitute the resolution of the General Meeting on the registered share capital increase and shall specify -----
 - a) the maximum number of shares to be issued for the purposes of the registered share capital increase and other information about the shares that are stipulated in Section 475 (b) of the Business Corporations Act; and-----
 - b) which body of the Company will resolve on the valuation of an in-kind contribution based on an expert opinion, if the Board of Directors has been authorised to increase the registered share capital.

Within the scope of the authorisation, the Board of Directors may increase the registered share capital more than once, provided that the aggregate amount of the registered share capital increase does not exceed the limit specified in the authorisation. -----
2. The authorisation to increase the registered share capital may be granted for no longer than five years from the day on which the General Meeting resolved on the granting of the authorisation. The authorisation may be granted repeatedly. -----
3. If the Board of Directors resolves to increase the registered share capital by subscription for new shares, the priority right of shareholders to subscribe, based on the proportion of the nominal value of their shares to the registered share capital, for part of the new shares that are being subscribed for with the aim of increasing the registered share capital, may not be excluded or restricted, if the issue price is to be paid in cash.-----
4. The resolution of the Board of Directors to increase the registered share capital shall be certified by a public deed and such resolution shall be registered in the Commercial Register. -----

V. Registered Share Capital Reduction

Article 29

Registered Share Capital Reduction

1. The General Meeting shall resolve on reduction of the Company's registered share capital. It shall do so in accordance with the conditions stipulated by these Articles of Association and the legal regulations and in the manner indicated by them. -----
2. As a result of the reduction of the registered share capital, the registered share capital may not drop below the amount stipulated by law. The registered share capital reduction may not deteriorate the recoverability of claims by creditors. -----
3. The Company shall use its own shares that it has in its assets to make a compulsory reduction of its registered share capital. In all other cases of registered share capital reduction, the Company shall first use its own shares that it has in its assets. A different procedure for the registered share capital reduction may only be used if the above procedure pursuant to the previous sentence is insufficient for the registered share capital reduction to the extent determined by the General Meeting or if this procedure does not meet the purpose of the registered share capital reduction. -----

4. Should the Company not have own shares in its assets, or should the use of these shares be insufficient under paragraph 3 of this Article for the registered share capital reduction, or should this procedure not fulfil the purpose of the registered share capital reduction, the Company shall reduce the nominal value of the shares, or shall refrain from the issue of unpaid shares. -----
5. A registered share capital reduction by withdrawing shares from circulation on the basis of drawing lots or withdrawing shares from circulation on the basis of a contract is inadmissible. -----
6. The Board of Directors shall file an application for the registration of the resolution of the General Meeting in the Commercial Register without undue delay. -----

Article 30

Registered Share Capital Reduction by Reducing Nominal Value of Shares

1. If the Company's registered share capital is reduced by reducing the nominal value of the shares, it shall be reduced proportionally for all of the Company's shares, unless the purpose of the registered share capital reduction is a waiver of an unpaid part of the shares' issue price. -----
2. The nominal value of shares or interim certificates shall be reduced by exchanging the shares or interim certificates for shares or interim certificates with a lower nominal value or by marking the lower nominal value on the existing shares or interim certificates with the signature of the member(s) of the Board of Directors. The Board of Directors shall, in a manner set out by the Business Corporations Act and the Articles of Association for convening the General Meeting, invite the shareholders holding shares or interim certificates to submit them for procedure as described in the previous sentence within the time period determined by the General Meeting. A shareholder that is in default in submitting the shares or interim certificates within the specified period shall not be authorised to exercise any shareholder rights attached to the shares or interim certificates until their submission and the Board of Directors shall apply the procedure set out in Sections 537 to 541 of the Business Corporations Act. -----
3. The nominal value of book-entered shares shall be reduced by changing the information on their nominal value in the record of book-entered securities defined by law, based on the Company's instruction. The instruction shall be accompanied with a statement from the Commercial Register evidencing the registered share capital reduction. -----

Article 31

Registered Share Capital Reduction by Refraining from Issue of Shares

1. The General Meeting can resolve on a reduction of the registered share capital by refraining from issuing shares, to the extent of the sum of the nominal values of the unpaid shares, to the extent the subscribers are in default in paying the nominal value of the shares, unless the Company expels the defaulting shareholder from the Company. -----
2. If the Company has issued interim certificates for unpaid shares, the issue of unpaid shares shall be refrained from in such a manner that the Board of Directors shall invite the shareholder that is in default in paying the issue price or part of it to submit its interim certificate within a period determined by the General Meeting. The Company shall not issue the shares represented by the interim certificate and it shall return to the subscriber, without undue delay after the effectiveness of the registered share capital reduction, the part of the issue price paid by the subscriber, reduced by the Company's claims against the subscriber. From the effective date of the share capital reduction, the shareholder shall not exercise any shareholder rights associated with the interim certificate based on the interim certificate pursuant to the previous sentence. If a shareholder pursuant to this paragraph is in default in submitting the interim certificate(s) within the specified period, the Board of Directors shall apply the procedure set out in Sections 537 to 541 of the Business Corporations Act. If the Company has not issued interim certificates for the unpaid shares, any unpaid share shall cease to exist upon the effective date of the share capital reduction, and the Company shall return to the subscriber without undue delay after the effective date of the share capital reduction the issue price paid to the relevant date, after offsetting its receivables from the subscriber. -----

VI. Amendments of the Articles of Association

Article 32

Amendments of the Articles of Association

1. The Articles of Association may be amended or altered on the basis of a resolution adopted by the General Meeting of the Company or on the basis of another legal fact. -----
2. Any amendments of the Articles of Association that are subject to the resolution of the General Meeting shall become effective upon the General Meeting adopting such a resolution, unless it ensues from the resolution or from law that they shall become effective later. -----
3. A resolution of a General Meeting as a result of which the terms of the Articles of Association change shall replace a resolution on amendments of the Articles of Association. Such resolution of the General Meeting shall be certified by a public deed. Should it not ensue from the resolution of the General Meeting in what way the Articles of Association should be amended, their terms shall be amended by the Board of Directors in compliance with the resolution of the General Meeting. The resolution of the Board of Directors amending the terms of the Articles of Association shall be certified by a public deed.
4. If the terms of the Articles of Association are amended, the Board of Directors of the Company shall draw up the full wording of the Articles of Association without undue delay after any member of the Board of Directors learns about it. -----
5. Upon a change to the class or type of shares, the rights attached to such class or type of shares shall also change as of the effective date of the amendment to the Articles of Association, irrespective of the day when the shares are exchanged. -----
6. Upon change of certificated shares into book-entered shares and upon change of book-entered shares into certificated shares, the legal position of a shareholder will only change upon the replacement of the shares or upon the shares being declared invalid. -----

VII. Winding-up and Termination of the Company's Existence

Article 33

Winding-up of the Company

1. The Company shall be wound up by a legal act, expiry of a term, decision of a public authority or upon completion of the purpose for which it was formed and for other reasons stipulated by law. A legal entity must be wound up with liquidation, unless all its assets are acquired by a legal successor or where otherwise stipulated by law. -----
2. The Company shall be wound up: -----
 - a) with liquidation-----
 - (i) upon expiry of the term for which it was formed;-----
 - (ii) upon the completion of the purpose for which it was formed; -----
 - (iii) on the day determined by law or by the legal act concerning the winding-up of the Company, otherwise on the day on which the legal act becomes effective; or-----
 - (iv) on the day on which a decision of a public authority becomes legally effective, unless a later date is stipulated in that decision; -----
 - b) without liquidation upon transformation of the Company pursuant to a special legal regulation as of the effective date of such transformation;-----
 - c) without liquidation upon cancellation of bankruptcy after the fulfilment of a distribution order or due to the fact that the assets are utterly insufficient provided that the Company's insolvency has been proven; however, the Company will enter the liquidation if certain assets appear after the termination of the insolvency proceedings.-----

Article 34
Liquidation of the Company

The method of liquidating the Company upon its winding-up shall be regulated by the applicable legal regulations.

Article 35
Termination of the Company's Existence

The Company shall cease to exist upon its deletion from the Commercial Register.-----

VIII. Acting on behalf of the Company

Article 36
Acting and Signing on behalf of the Company

1. The Company shall be represented by the Board of Directors, which is the Company's statutory body.-
2. Two members of the Board of Directors jointly are authorised to act on the behalf of the Company. When signing on behalf of the Company two members of the Board of Directors jointly shall attach their signatures to the Company's printed or written business name. -----
3. The members of the Board of Directors may grant authorisations for acting on behalf of the Company.

IX. Common and Final Provisions

Article 37
Official Publication and Publication of Information

1. If stipulated by the relevant legal regulations or by these Articles of Association, the Company is required to publish certain information in the Commercial Bulletin (*Obchodní věstník*). -----
2. The information that the Company is required to publish or make known pursuant to the relevant legal regulations or these Articles of Association shall be published on the Company's website and in a manner in which it may be reasonably expected that the public in the European Union will learn about it, unless stipulated otherwise by law or these Articles of Association. -----

Article 38
Interpretation Provision

If any provision of the Articles of Association appears invalid, ineffective or unenforceable due to the applicable legislation or changes therein, or if any provision is missing, the other provisions of the Articles of Association shall remain unaffected by this fact. Instead of such a provision, the provision of a relevant generally binding legal regulation which due to its nature and purpose is the closest to the contemplated purpose of such a provision, or, if the legal regulation does not include such a provision, a solution customary in business relations, shall apply.

Article 39
Subjection to the Business Corporations Act

The Company has subjected itself to the Business Corporations Act as a whole. The registration of this fact has been published in the Commercial Register in a manner allowing remote access pursuant to the Act on Public Registers of Legal Entities and Individuals.-----

Effectiveness -----

The new full wording of the Company's Articles of Association shall become effective on the day of its approval by a resolution of the General Meeting adopted outside the meeting, with the exception of the following provisions:-----

The following sentences of Article 6 (4): *"The condition for the exercise of a voting right by a shareholder is the entry 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 (the "Act on Register of Beneficial Owners"), if the shareholder is obliged to arrange for the entry of the beneficial owner. In order to verify these facts, the shareholder may be invited to submit an up-to-date extract from the register of beneficial owners and a related declaration confirming that the information entered in the register and stated in the submitted extract is up-to-date. The formal essentials associated with the submission of this extract and the related declaration shall be set out in the invitation to the General Meeting (or in the draft resolution). If the shareholder does not provide, based on a request stated in the invitation to the General Meeting (or in the draft resolution), the extract proving the registration of its beneficial owner and the related declaration (if requested), that shareholder shall not be allowed to exercise their voting rights (that shareholder must not exercise their voting rights)." shall take effect on 1 June 2021.*-----

The following sentence of Article 6 (7): *"The decisive date for exercising the right to a share in profit and in other Company's own sources is the sixth business day following the date of the General Meeting which resolved on the distribution of profit and/or other Company's own sources."* shall take effect on 1 January 2022.-----

The following sentences of Article 8 (7): *"The decisive date for exercising the right to a share in profit and in other Company's own sources shall be the sixth business day following the date of the General Meeting which resolved on the distribution of profit and/or other Company's own sources per rollam. A notification of approval of the distribution of profit and/or other Company's own sources shall be published on the Company's website. This shall not affect the notification of a resolution adopted per rollam to shareholders within the meaning of Section 420 (1) of the Business Corporations Act."* shall take effect on 1 January 2022.

The existing Article 23 (6), in the wording effective until 1 June 2021, shall be re-numbered to Article 23 (7) effective as of 1 June 2021. A new paragraph, which reads as follows, shall be inserted instead of the original Article 23 (6) effective as of 1 June 2021: *"The condition for the payment of a share in profit and/or in other Company's own sources or in the liquidation balance to a shareholder is the entry of that shareholder's beneficial owner in the register of beneficial owners in accordance with the Act on Register of Beneficial Owners, if the shareholder is obliged to arrange for the entry of the beneficial owner. In order to verify these facts, the shareholder may be invited to submit an up-to-date extract from the register of beneficial owners and a related declaration confirming that the information entered in the register and stated in the submitted extract is up-to-date. The essentials associated with the submission of this extract shall be set out in the invitation to the General Meeting (or in the draft resolution). If the shareholder does not provide, based on a request stated in the invitation to the General Meeting (or in the draft resolution), the extract proving the registration of its beneficial owner and the related declaration (if requested) for the purpose of payment of a share in profit and/or in other Company's own sources or in the liquidation balance, the Company shall not pay the given shares or liquidation balance. Any right to a share in profit and/or in other Company's own sources that has not been paid due to the absence of the entry of the beneficial owner in the relevant register under the Act on Register of Beneficial Owners by the end of the accounting period in which it was resolved on its payment, shall cease to exist."*-----

Clause Four: Justification: -----

The main reason for the adoption of the new full wording of the Company's Articles of Association is, in particular, their adaptation to the new legal regulation effective since 1 January 2021, which applies to the Company and affects the Company's functioning. and affects its functioning. This means, in particular, the amendment of Act No. 90/2012 Coll., the Act on Business Companies and Cooperatives (the Business Corporations Act), as amended (the "Business Corporations Act"), and other related laws. Furthermore, it is proposed to add certain provisions on the basis of which it will be allowed to vote at the General Meeting using technical means (in the form of a correspondence vote) as well as to adopt resolutions outside the meeting of the General Meeting of the Company (*per rollam*), which will simplify the exercise of shareholder rights and allow for the effective organisation of General Meetings in emergency situations (such as, for example, during the COVID-19 pandemic). Other amendments arising from the amendments of other legislation, e.g. Act No. 256/2004 Coll., on Business Activities on the Capital Market, as amended, by which the Company is already bound, shall also be reflected in the full wording of the Company's Articles of Association. Certain obligations under Act No. 37/2021 Coll., on Register of Beneficial Owners, as amended, have also been taken into account.

For the sake of clarity and simplification, the basic characteristics of the major proposed amendments of the Company's Articles of Association are presented below:-----

As part of the amendment of the Articles of Association, it is proposed that the decisive date for exercising the right to a share in profit and in other Company's own sources is the sixth business day following the date of the General Meeting which resolved on the distribution of profit and/or other Company's own sources (Article 6 (7)). The decisive date for attendance of the General Meeting continues to be the seventh day prior to the General Meeting (Article 10 (2));-----

It is proposed to amend the possibility of adopting resolutions of the General Meeting also outside the meeting (*per rollam*) within the meaning of Section 418 (1) of the Business Corporations Act (Article 8 (4) *et seq.*), as well as the possibility of the shareholders' voting at the General Meeting, *inter alia*, in the form of correspondence vote within the meaning of Section 398 (4) of the Business Corporations Act, under the conditions determined in the particular case by the Board of Directors of the Company (Articles 10 (1) and 10 (7));-----

In accordance with the new regulation contained in the Business Corporations Act, it is proposed to modify the rules for resignation and termination of office as a member of the Board (Article 14 (7)), a member of the Supervisory Board (Article 17 (6)) and a member of the Audit Committee (Article 20 (6));-----

It is proposed to adapt the rules and terminology for the distribution of profit and other Company's own sources to the new legal regulation contained in the Business Corporations Act (in particular Article 23);

It is proposed to adapt the rules for the increase and reduction of the registered share capital to the new legal regulation contained the Business Corporations Act (Articles 24 to 31);-----

The draft of the Articles of Association includes clarifications regarding meetings of the Board of Directors (Article 14), the Supervisory Board (Article 18) and the Audit Committee (Article 21), and regarding the possibility of voting at the meetings of those bodies;-----

The draft of the Articles of Association also contains legally technical and terminological changes of varying scope resulting from new legal regulation or improving the current wording, while the aim was to preserve, to the highest extent possible, the meaning of the original provisions relating to the Company and the rights and obligations of shareholders.-----

Clause Five: The period for the shareholder's *per rollam* statement (opinion) on this draft resolution shall end on 21 May 2021 (in words: the twenty-first day of May of the year two thousand and twenty-one).----

Clause Six: Statement of the notary on preconditions for the preparation of a notarial record: pursuant to Section 70a (1) of the Act on Notaries and Their Activities, I state: that the legal act complies with legal regulations and with any other documents in the case of which the compliance with legal regulations is required by a special legal regulation; that the legal act complies with the requisites and conditions stipulated for registration in a public register by a special legal regulation; or that the formalities have been fulfilled, if a special legal regulation stipulates them for the legal act or for registration in a public register, or that the fulfilment of the formalities has been documented to a notary.-----

Clause Seven: This notarial record has been prepared on the above legal act and, after having been read by the authorised member of the Board of Directors, it was signed and approved.-----

Petr Šedivec, in his own handwriting

JUDr. Josef Doležal,
notary, in his own handwriting

JUDr. Josef Doležal,
notary in Kutná Hora
L. S.

Excerpt from the Announcement of the Results of the Voting Outside the Meeting of the Board of Directors in Czech and English follows.

PŘÍLOHA k NZ č. 50/2021

<p>Philip Morris ČR a.s., se sídlem Kutná Hora, Vítězná 1, PSČ 284 03, IČ 148 03 534, zapsaná v obchodním rejstříku vedeném Městským soudem v Praze, odd. B., vložka 627</p>	<p>Philip Morris ČR a.s., with its registered office at Kutná Hora, Vítězná 1, PSČ 284 03, Identification no. 148 03 534, registered in the commercial register administered by the Municipal court in Prague, Section B., File 627</p>
<p>VÝNATEK Z OZNÁMENÍ VÝSLEDKŮ HLASOVÁNÍ MIMO ZASEDÁNÍ PŘEDSTAVENSTVA (TZV. PER ROLLAM)</p>	<p>EXCERPT FROM THE ANNOUNCEMENT OF THE RESULTS OF THE VOTING OUTSIDE THE MEETING OF THE BOARD OF DIRECTORS</p>
<p>***</p> <p>Vážení členové představenstva,</p> <p>jakožto předsedkyně představenstva společnosti Philip Morris ČR a.s. se sídlem Kutná Hora, Vítězná 1, PSČ 284 03, identifikační číslo: 14803534, zapsané v obchodním rejstříku vedeném Městským soudem v Praze, oddíl B, vložka 627 (dále jen „Společnost“), Vám v souvislosti s uskutečněným hlasováním představenstva Společnosti mimo zasedání (tzv. per rollam), které proběhlo se souhlasem všech členů představenstva Společnosti prostřednictvím elektronického hlasování pomocí elektronické pošty (e-mailu) v souladu s ustanovením § 158 zákona č. 89/2012 Sb., občanský zákoník, ve znění pozdějších předpisů, a čl. 14 odst. 14 stanov Společnosti, oznamuji že:</p> <p>***</p>	<p>***</p> <p>Dear members of the Board of Directors,</p> <p>as the Chairperson of the Board of Directors of Philip Morris ČR a.s., whose registered office is in Kutná Hora, Vítězná 1, Postal Code: 284 03, identification number: 14803534, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 627 (the “Company”), I hereby announce to you the results of voting of the Board of Directors of the Company outside the meeting (per rollam) which took place with the consent of all members of the Board of Directors of the Company by electronic voting via e-mail in accordance with Section 158 of Act No. 89/2012 Coll., the Civil Code, as amended, and Article 14 (14) of the Company’s Articles of Association, as follows:</p> <p>***</p>
<p>Návrh usnesení ve znění:</p> <p>„Představenstvo Společnosti pověřuje pana Petra Šedivce, dat. nar. 6. května 1977, bytem V Lukách 2163, Rakovník II, PSČ: 269 01, Rakovník, jakožto člena představenstva Společnosti, aby za představenstvo v souvislosti s předložením návrhu usnesení valné hromadě Společnosti při přijímání rozhodnutí mimo zasedání (tzv. per rollam)</p>	<p>The proposed draft decision:</p> <p>„The Company’s Board of Directors hereby authorises Mr. Petr Šedivec, born on 6 May 1977, permanently residing at V Lukách 2163, Rakovník II, Postal Code: 269 01, Rakovník, as a member of the Company’s Board of Directors, to represent the Board of Directors in relation to submission of the draft</p>

<p>v souladu s ustanoveními § 418 a násl. zákona č. 90/2012 Sb., o obchodních společnostech a družstvech (zákon o obchodních korporacích), ve znění pozdějších předpisů):</p>	<p>resolutions to the General Meeting of the Company in the decision-making outside the meeting (per rollam) in accordance with Sections 418 and following of the Act No. 90/2012 Coll., on Business Corporations and Cooperatives, as amended, in order:</p>
<p>a) zajistil vyhotovení návrhu rozhodnutí valné hromady Společnosti mimo zasedání obsahující nové úplné znění stanov Společnosti ve znění schváleném představenstvem Společnosti, a to ve formě požadované právními předpisy České republiky (dále jen „Návrh stanov“);</p> <p>b) v souvislosti s výše uvedeným jednal s příslušným notářem či jinými třetími osobami a podepsal notářský zápis o návrhu rozhodnutí valné hromady společnosti Philip Morris ČR a.s., mimo zasedání valné hromady, obsahující nové úplné znění stanov Společnosti, jako i veškeré další listiny, prohlášení, zápisy, žádosti, návrhy apod. a uskutečnil veškerá další jednání (včetně právních jednání), které budou nutné či vhodné v souvislosti s výše uvedeným.“</p> <p>Pro uvedený návrh usnesení jednomyslně hlasovalo ve stanovené lhůtě všech pět stávajících členů představenstva Společnosti.</p> <p>Výše uvedené usnesení bylo představenstvem Společnosti přijato dne 15. března 2021.</p> <p style="text-align: center;">***</p>	<p>a) to procure drawing up and recording of the draft resolution of the General Meeting of the Company outside the meeting containing the new complete wording of the Articles of Association of the Company as approved by the Company's Board of Directors in the form required by Czech law (the "Draft Articles of Association");</p> <p>b) to act and to deal with the relevant notary or any other third persons and to execute the notarial deed regarding the draft resolution of the General Meeting of the company Philip Morris ČR a.s. outside the meeting containing the new complete wording of the Articles of Association of the Company, as well as to execute all other documents, declarations, minutes, applications, motions etc. and to make any other acts (including legal acts) which he will consider in his sole discretion as necessary or suitable in respect to the above."</p> <p>The proposed draft decision had been unanimously approved by all five current members of the Company's Board of Directors within the set deadline.</p> <p>The proposed draft decision has been adopted by the Company's Board of Directors on 15 March 2021.</p> <p style="text-align: center;">***</p>

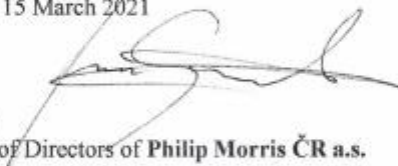
<p>Tento výňatek z oznámení výsledku hlasování představenstva Společnosti mimo zasedání (tzv. per rollam) je vyhotoven dvojjazyčně, a sice v jazyce anglickém a českém. V případě jazykových rozdílů je rozhodnou verze česká.</p>	<p>This excerpt from the announcement of the results of the voting of the Board of Directors of the Company outside the meeting (per rollam) is executed in two language versions, in Czech and English. In the event of any language discrepancies, the Czech version shall prevail.</p>
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Dne 15. března 2021 / On 15 March 2021

Andrea Gontkovičová

Předseda představenstva /

Chairperson of the Board of Directors of **Philip Morris ČR a.s.**



Page forty-two

I certify that this copy of the notarial record prepared on 16 March 2021 (in words: the sixteenth day of March of the year two thousand and twenty-one) corresponds word-for-word to the notarial record no. NZ 50/2021, prepared on 16 March 2021 (in words: the sixteenth day of March of the year two thousand and twenty-one) by JUDr. Josef Doležal, a notary in Kutná Hora. I further confirm that the annex of the copy of the notarial record corresponds word-for-word to the annex of the notarial record.-----

A handwritten signature in blue ink, reading "Dr. Josef Doležal" in a cursive script. Below the main signature, there is a smaller, less legible handwritten mark that appears to be "rec. 4/4".

SCHEDULE 6

Draft of the amendments of the Company's Articles of Association (with the marked amendments)

(the underlined text is proposed to be inserted, the crossed-out text is proposed to be deleted)



PHILIP MORRIS ČR

Philip Morris ČR a.s.

THE ARTICLES OF ASSOCIATION OF THE COMPANY

**ASTHE DRAFT OF THE AMENDMENTS OF THEAMENDED ARTICLES OF ASSOCIATION OF THE
COMPANY SUBMITTED BY A RESOLUTION ADOPTED BYTHE BOARD OF DIRECTORS TO THE
GENERAL MEETING HELD ON 26 APRIL 2019 OUTSIDE A MEETING (SO-CALLED PER ROLLAM)**

Please note that the only authoritative version of this document is the version in the Czech language.
The -English version of this document has been prepared for information purposes only.

I. Basic Provisions

Articles 1 to 4 remain without changes.

Article 5 Shares and Payment of the Share Issue Price

1. The Company's registered share capital has been divided up as follows:
 - a) 831,688 ~~ordinary~~certificated registered shares with a nominal value of CZK 1,000 each, which are not registered for public trading on a European regulated market, with a total nominal value of CZK 831,688,000; ~~these shares are securities; and~~and
 - b) 1,913,698 ~~ordinary~~ book-entered registered shares with a nominal value of CZK 1,000 each, which are registered for public trading on a European regulated market, with a total nominal value of CZK 1,913,698,000; ~~these shares are book-entered securities.~~
2. *Paragraph 2 of this Article remains without changes.*
3. *There are only terminological changes within the meaning of Article 5 (1) in this paragraph.*
4. The list of shareholders of the Company shall ~~indicates~~specify the class of the share, ~~(if shares of several classes are to be issued),~~ its nominal value, the name and address or the registered office of the shareholder, ~~the number of its~~the relevant bank account ~~kept with an entity authorised to provide banking services in a country which is a valid member of the Organisation for Economic Co-operation and Development,~~ numerical designation of the share, and changes in the recorded information. The list of shareholders shall also contain information on any separation or transfer of a separately transferable right. Upon the written request of a shareholder and at its expense, the Company shall provide the shareholder with a copy of the list of shareholders who are owners of registered shares, or the required parts of the list without undue delay after receiving the request.
5. *Paragraph 5 of this Article remains without changes.*
6. The Company may issue shares as global shares (certificates) replacing the individual shares. The rights arising from a global share (certificate) cannot be divided into shares (*podily*) by transfer. An owner of a global share (certificate) is entitled to replacement of the global share (certificate) for individual shares or for other global shares (certificates) based on a written request addressed to the Board of Directors. The Company is obliged within two months after the delivery of the written request, to replace the global share (certificate) for individual shares or for other global shares (certificates). ~~A global share (certificate) shall contain, in addition to the formalities under Section 259 and Section 260 of the Business Corporations Act, the formality under Section 262 of the Business Corporations Act, in particular information about how many shares and of what class it is to replace.~~
7. Under the conditions stipulated by the Business Corporations Act, the following rights may be transferred separately: the right to a share in profit and in other Company's own sources, the priority right to subscribe for shares and convertible and priority bonds, the right to a share in the liquidation balance and other similar property rights specified by these Articles of Association.

Paragraphs 8 to 10 of this Article remain without changes.

11. A subscriber who delays the payment of the issue price of the shares subscribed for by it or a determined portion of such price within the period stipulated by the General Meeting, these Articles of Association or the Business Corporations Act, must pay to the Company default interest on the amount due, which shall equal twice the amount of the default interest stipulated by another applicable legal regulation. If a subscriber is in delay with respect to making a contribution or a part of it, the Board of Directors shall call on the subscriber, by sending it a registered letter, to fulfil its obligation within 60 days of the receipt of such request. After the expiration of such period to no effect, the Board of Directors shall expel the defaulting shareholder from the Company in respect of the shares in relation to which it failed to fulfil its obligation to make a contribution and shall invite it to submit its interim certificate (if issued) within a reasonable period set by the Board of Directors. This shall not apply if the Board of Directors takes any other measure. If no interim certificate has been issued, the unpaid shares shall pass to the Company upon expiry of the aforesaid additional period to no effect based on the relevant expulsion resolution of the Board of Directors. The expelled shareholder guarantees the payment of the issue price of the shares subscribed by it. Should the expelled shareholder fail to submit the interim certificate (if issued) within the specified periodtime limit, the Board of Directors shall declare the interim certificate invalid and shall inform the shareholder of this fact in writing. The Board of Directors shall notify the shareholders of its resolution

in the manner prescribed by the Business Corporations Act and these Articles of Association for convening a General Meeting and shall simultaneously publish the resolution.

12. The Company shall ~~issuesell~~ shares to a person approved by the General Meeting, provided that this person pays the issue price of the shares; otherwise the Company shall reduce the registered share capital by the nominal ~~or accounting~~-value of the interim certificate or unpaid shares.
13. *Paragraph 13 of this Article remains without changes.*

Article 6 Rights and Obligations of the Company's Shareholders

Paragraphs 1 to 3 of this Article remain without changes.

4. A shareholder shall be entitled to take part in a General Meeting and to vote at the General Meeting.

A shareholder shall be entitled to take part in a General Meeting and to vote at the General Meeting. The condition for the exercise of a voting right by a shareholder is the entry 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 (the "Act on Register of Beneficial Owners"), if the shareholder is obliged to arrange for the entry of the beneficial owner. In order to verify these facts, the shareholder may be invited to submit an up-to-date extract from the register of beneficial owners and a related declaration confirming that the information entered in the register and stated in the submitted extract is up-to-date. The essentials associated with the submission of this extract and the related declaration shall be set out in the invitation to the General Meeting (or in the draft resolution). If the shareholder does not provide, based on a request stated in the invitation to the General Meeting (or in the draft resolution), the extract proving the registration of its beneficial owner and the related declaration (if requested), that shareholder shall not be allowed to exercise their voting rights (that shareholder must not exercise their voting rights).⁶

5. A shareholder is entitled to require and obtain from the Company explanations in respect of the Company's affairs and matters relating to parties controlled by the Company, should such explanation be necessary for the assessment of matters on the agenda of the General Meeting or for the exercise of shareholder's rights at the General Meeting. The shareholder may file the request for explanation pursuant to the preceding sentence in writing. ~~The request must be filed after the publication of the invitation to the General Meeting and before the date on which the General Meeting is to be held.~~ A shareholder may file proposals and counterproposals in relation to the matters on the agenda of the General Meeting. The exercise of such rights is specified in detail in Articles 8, 9, 10 and ~~10~~11 of these Articles of Association.

- ~~56.~~ *Current paragraph 5 of this Article is changed to paragraph 6 of this Article and its wording remains unchanged.*

- ~~67.~~ Shareholders of the Company shall have the right to a share in the Company's profit (dividends) and in other Company's own sources as approved by the General Meeting for distribution among shareholders based on the economic result, and each shareholder's share in the profit shall be determined based ~~upon~~on the proportion of the ~~shareholder's share~~share nominal value of the shares owned by the particular shareholder to the Company's registered share capital. The ~~decisive date for exercising the right to a dividend is the same as the decisive date for attendance of the General Meeting which resolves on such dividend payment.~~ The dividends shares in profit and in other Company's own sources shall be payable within three months of the date of the adoption of the resolution of the General Meeting on ~~profit~~the distribution of profit and other Company's own sources, unless the General Meeting resolves otherwise. ~~The dividends~~ Neither the shares in profit s nor shares in other Company's own sources shall ~~not~~ bear interest ~~and those of them that are.~~ If any share in profit and/or share in other Company's own sources is not collected within three years of ~~their~~its due date, it shall be transferred to the Company's fund of uncollected dividends.

- ~~7.~~ *Shareholders of the Company shall have the right to a share in the Company's profit and in other Company's own sources as approved by the General Meeting for distribution among shareholders based on the economic result, and each shareholder's share in the Company's profit respectively in other Company's own sources shall be determined based on the proportion of the nominal value of the shares owned by the particular shareholder to the Company's registered share capital. The decisive date for exercising the right to a share in profit and in other Company's own sources is the sixth business day*

⁶ The wording of Article 6 (4) in italics shall take effect on 1 June 2021 and shall fully replace the existing wording of Article 6 (4).

following the date of the General Meeting which resolved on the distribution of profit and/or other Company's own sources. The share in profit and in other Company's own sources shall be payable within three months of the date of the adoption of the resolution of the General Meeting on the distribution of profit and other Company's own sources, unless the General Meeting resolves otherwise. Neither the share in profit nor the share in other Company's own sources shall bear interest. If any share in profit and/or in other Company's own sources is not collected within three years of its due date, it shall be transferred to the Company's fund of uncollected dividends.⁷

8. Shareholders are not entitled to request that their contributions be returned during the existence of the Company or upon its winding-up. After the winding-up of the Company with liquidation, shareholders shall be entitled to a share in the liquidation balance whereas such liquidation balance shall be divided among the shareholders in proportion corresponding to the paid nominal value of their shares. The ~~right to liquidator shall pay~~ a share in the liquidation balance ~~shall arise upon~~ without undue delay after the return of the share(s). ~~If a shareholder fails to return its shares to the Company at the request of the liquidator, the liquidator shall pay the share in the liquidation balance to the shareholder without undue delay after the shares have been declared invalid.~~ For book-entered shares, the right to a share in the liquidation balance shall arise to a shareholder on the day on which the shares are deleted from the Company's records of book-entered securities based on the order of the liquidator.
- ~~89.~~ *Current paragraph 8 of this Article is changed to paragraph 9 of this Article and its wording remains unchanged.*

II. Company Organisation

Article 7 Company Bodies

Articles 7 remains without changes.

A. General Meeting

Article 8 Position and Authority of the General Meeting

1. *Paragraph 1 of this Article remains without changes.*
2. The General Meeting shall have the authority to:
Subparagraphs a) to d) of Article 8 (2) remain without changes.
 - (e) elect and recall members of the Board of Directors, unless the Business Corporations Act stipulates otherwise;
 - (f) elect and recall members of the Supervisory Board, unless the Business Corporations Act stipulates otherwise;
 - (g) approve the ordinary, extraordinary or consolidated financial statements and, where ~~any other legal regulation so stipulates~~ stipulated by law, also interim financial statements;
Subparagraphs h) to k) of Article 8 (2) remain without changes.
 - (l) approve the final report on the course of the liquidation and a proposal for the ~~distribution~~ use of the liquidation balance;
 - (m) approve any transfer or pledge of an enterprise or such ~~a part of the enterprise~~ assets and liabilities that would mean a material change to the ~~current structure of the enterprise or a material change to the actual~~ scope of business or activities of the Company;
 - (n) *Subparagraph n) of Article 8 (2) remains without changes.*

⁷ The wording of Article 6 (7) in italics shall take effect on 1 January 2022 and shall fully replace the current wording of Article 6 (7).

- (o) approve any agreement on silent partnership, ~~including any amendments thereof and its cancellation (company) and any other agreement establishing a right to a share in profit or a share in other Company's sources;~~
- (p) resolve on a ~~merger, transfer~~ transformation of assets the Company, unless the law governing transformations of business companies and liabilities to a single shareholder or de-merger, or a change in the Company's legal form cooperatives stipulates otherwise;

Subparagraphs q) to x) of Article 8 (2) remain without changes.

- (y) resolve on the approval of the remuneration (compensation) policy pursuant to Section 121k of Act No. 256/2004 Coll., ~~(y on Business Activities on the Capital Market, as amended (the "Act on Business Activities on the Capital Market"))~~;
- (z) resolve on the approval of the remuneration (compensation) report pursuant to Section 121o of the Act on Business Activities on the Capital Market;
- (aa) resolve on the approval of a significant transaction under the conditions specified in Section 121s of the Act on Business Activities on the Capital Market; and
- (bb) resolve on any other matters which the law or these Articles of Association place under the authority of the General Meeting.

3. *Paragraph 3 of this Article remains without changes.*

4. The General Meeting shall also be entitled to adopt resolutions (decisions) outside the General Meeting within the meaning of Section 418 et seq. of the Business Corporations Act (the *per rollam* decision-making), including using technical means within the meaning of Section 398 of the Business Corporations Act. The conditions for the *per rollam* decision-making, including but not limited to the conditions of the *per rollam* decision-making using technical means, shall be determined by the Board of Directors and shall be specified in the draft resolution. As part of the *per rollam* decision-making, a person authorised to convene the General Meeting may send the draft resolution to all shareholders in accordance with the procedure set out in Section 418 et seq. of the Business Corporations Act (i.e. at the address of the registered office or residence address specified in the list of shareholders in the case of shareholders owning certificated shares and, in the case of shareholders owning book-entry shares, at the address indicated in the register of book-entry securities), or may alternatively use the possibility to deliver or send the draft resolution to all shareholders as set out in paragraph 5 of this Article below.

5. In the case of the *per rollam* decision-making of the General Meeting, a person authorised to convene the General Meeting shall deliver a draft resolution to all shareholders of the Company:

a) by its publication on the Company's website and, at the same time,

b) by publication of the information that the General Meeting will resolve *per rollam* in the Commercial Bulletin (*Obchodní věstník*).

whereas this method of delivery shall replace the sending of the draft resolution to all shareholders at their addresses. The draft resolution shall be delivered to each shareholder on the date on which the essentials referred to in sub-paragraphs a) and b) of this paragraph 5 are fulfilled (hereinafter referred to as the "**date of dispatch of the draft resolution**"). The time limit for receipt of a shareholder's statement shall be at least 15 days from the date of dispatch.

6. The person authorised to convene the General Meeting shall ensure that, at least 15 days before the date of dispatch of the draft resolution, the Company publishes on its website a notice of the *per rollam* decision-making and, in particular, the information on the manner of and possibility for the shareholders of becoming acquainted with the draft resolution and the supporting documents on the draft. In addition, the person authorised to convene the General Meeting shall determine in the notice more detailed conditions and instructions on the *per rollam* decision-making, *inter alia*, the method of showing consent to the draft resolution.

7. The decisive date for the *per rollam* decision-making shall be the seventh day preceding the date on which the draft resolution is sent to all shareholders.

The decisive date for the *per rollam* decision-making shall be the seventh day preceding the date on which the draft resolution is sent to all shareholders. The decisive date for exercising the right to a share in profit and in other Company's own sources shall be the sixth business day following the date of the General Meeting which resolved on the distribution of profit and/or other Company's own sources *per rollam*. A

notification of approval of the distribution of profit and/or other Company's own sources shall be published on the Company's website. This shall not affect the notification of a resolution adopted per rollam to shareholders within the meaning of Section 420 (1) of the Business Corporations Act.⁸

8. *The Company shall disclose the Company's financial results for the previous accounting period as well as the amount of the shares in profit and/or in other Company's own sources if it is proposed before the decisive date for the per rollam decision-making.*

Article 9 Convening of the General Meeting

Paragraph 1 to 3 of this Article remain without changes.

4. The Board of Directors shall convene the General Meeting by publishing an invitation to the General Meeting on the website of the Company at least 30 days prior to the General Meeting and sending it at the same time to each shareholder holding certificated registered shares ~~or book-entered shares~~, to each such shareholder's registered office or address as recorded in the list of shareholders ~~or~~ and to each shareholder holding book-entered registered shares to each such shareholder's address as recorded in the records of book-entered securities. The invitation must remain published on the Company's website until the date of the General Meeting. A shareholder may choose to have invitations to the General Meetings delivered in electronic form to an e-mail address that it notifies to the Company no later than on 31 December of the relevant year before the respective General Meeting is to be held by means of (i) a written notice sent to the registered office of the Company or (ii) an e-mail sent by the shareholder to the Company's e-mail address ~~philipmorris.cz@pmi.com~~ philipmorris.cz@pmi.com or (iii) ~~from 1 January 2015~~ through a web application accessible to the shareholders on the website of the Company ~~http://www.philipmorris.cz~~ http://www.philipmorris.cz. In such a case, the Company will only send the invitations to the following General Meetings to the shareholder electronically to the notified e-mail address. If the shareholder no longer wishes to receive the invitations to the following General Meetings only electronically to the notified e-mail address, the shareholder shall notify it to the Company in writing or electronically (in a same manner specified above in this paragraph) no later than on 31 December of the relevant year before the respective General Meeting. If the shareholder causes that the e-mail address, which it notified to the Company for the purposes of receiving the invitation for the General Meeting, does not correspond to the actual state of affairs or that such e-mail address was cancelled in the meantime and the shareholder did not notify a new e-mail address to the Company, the shareholder may not seek the invalidity of a resolution of the General Meeting due to the fact that the Company did not allow it to take part in the General Meeting or to vote at the General Meeting on the basis of this fact.

The condition of a 30-day period does not need to be observed in the following instances:

- a) convening of a substitute General Meeting;
- b) convening of a General Meeting on the basis of a request of shareholders under Article 9 (2) of these Articles of Association.

In the above cases, a period as stipulated by law shall apply.

5. The invitation to the General Meeting must include:

Subparagraphs a) and c) of Article 9 (5) remain without changes.

- d) the agenda of the General Meeting, including any person nominated to hold the office of a member of any ~~of the elected~~ Company ~~bodies~~ body (if any);

Subparagraphs e) and f) of Article 9 (5) remain without changes.

- ~~g)~~ h) the essentials stipulated in Section 120a of ~~the Act No. 256/2004 Coll.~~ on Business Activities on the Capital Market, ~~as amended (the "Act;~~

the time limit for delivery of the shareholder's opinion on **Business Activities on the Capital Market**"); the agenda of the General Meeting (if correspondence voting is allowed), which may not be shorter than 15 days and which begins upon the delivery of the invitation to the shareholder; and

- ~~h)~~ i) other essentials stipulated by law, these Article of Association or any previous resolutions of the General Meeting.

⁸ The wording of Article 8 (7) in italics shall take effect on 1 January 2022 and shall fully replace the current wording of Article 8 (7).

6. If no draft resolution pursuant to paragraph 5(f) of this Article is submitted, the invitation to the General Meeting shall contain the opinion of the Board of Directors of the Company on each item of the agenda proposed; ~~at the same time, the Company will publish on its website draft resolutions of the General Meeting as prepared by the shareholders without undue delay after receiving them.~~
7. If the agenda of the General Meeting includes any amendments of the Articles of Association of the Company, the invitation to the General Meeting shall contain at least a brief and concise description and justification of the proposed amendments to the Articles of Association. The full draft amendments of the Articles of Association shall be published by the Board of Directors together with the invitation to the General Meeting on the Company's website. The Company will allow each shareholder to view the draft amendments of the Articles of Association at its registered office free of charge within the time limit specified in the invitation to the General Meeting. A shareholder may request that a copy of the draft Articles of Association be sent to it at its own expense and risk. Shareholders must be informed of these rights in the invitation to the General Meeting.
8. The explanation under Article 6 (45) above regarding matters relating to the relevant General Meeting will be provided by the Company to the shareholders directly at the General Meeting. If this is not possible due to the complexity of the explanation, the Company will provide the explanation to all shareholders within 15 days after the date of the General Meeting, even if this is no longer necessary for the consideration of actions of the General Meeting or for the exercise of shareholders' rights at the General Meeting, by publishing it on the website of the Company. The information contained in the explanation must be clear and must provide a sufficient and true view of the enquiry concerned. The explanation above may be provided in the form of a summary statement on several similar issues. It shall be deemed that shareholders have been provided with the explanation even if the information is published on the Company's website no later than on the day preceding the date of the General Meeting and is available to the shareholders for viewing at the place where the General Meeting is to take place. If the information is provided to a shareholder, any other shareholder is entitled to request this information even without adhering to the procedure pursuant to Section 357 of the Business Corporations Act.
9. Any shareholder is entitled to file proposals and counterproposals regarding any matters included in the agenda of the General Meeting. ~~If a shareholder intends to file a counterproposal to any matter on the agenda of the General Meeting, such shareholder will deliver it to the Company within a reasonable time limit prior to the date of the General Meeting which will be determined in an invitation to the respective General Meeting; this shall not apply in the case of proposals for certain persons to become members of the Company bodies. The provisions of Section 369 (2) of the Business Corporations Act shall apply analogously.~~
- ~~10. The Board of Directors shall inform the shareholders of the relevant shareholder's counterproposal in the manner stipulated by the Business Corporations Act and these Articles of Association regarding the convocation of the General Meeting and shall publish the counterproposal together with its opinion. This shall not apply if the information is delivered less than two days before the date of the General Meeting, or if the costs related to such information are in gross disproportion to the meaning and content of the counterproposal, or if the counterproposal contains more than 100 words. If the counterproposal contains more than 100 words, the Board of Directors shall inform the shareholders of the substance of the counterproposal and of its opinion and shall publish the counterproposal on the website of the Company.~~
10. Any proposals and counterproposals delivered to the Company no later than three days before the General Meeting shall be published by the Board of Directors without undue delay on the Company's website. If the proposals and counterproposals contain justifications, the Board of Directors shall also publish these justifications along with them. If the proposals and counterproposals are delivered at the latest five days before the General Meeting, the Board of Directors shall also publish its opinion on the received proposals and counterproposals without undue delay.
11. A shareholder may file its proposals in relation to the matters which are to be included in the agenda of the General Meeting also before the invitation to the General Meeting is published. The Board of Directors shall publish any proposal delivered to the Company at least ~~seven~~five days before the invitation to the General Meeting is published and its opinion on it along with the invitation to the General Meeting; on the Company's website. Paragraph 10 of this Article applies analogously to any proposals delivered after this time limit.
12. *Paragraph 12 of this Article remains without changes.*
13. A substitute General Meeting shall be convened by the Board of Directors by a new invitation, which does not have to contain ~~reasonable information about the substance of the individual matters~~any justification of the draft resolution of the General Meeting or opinion of the Board of Directors of the Company on each

proposed matter included in the agenda of the General Meeting pursuant to paragraph 5(d) of this Article above, in the manner specified in this Article; however, the period specified therein shall be reduced to 15 days. The invitation to the substitute General Meeting shall be sent to the shareholders no later than 15 days after the date for which the original General Meeting was convened, and the substitute General Meeting shall be held within six weeks of the day of the original General Meeting. Its agenda must be unchanged. The substitute General Meeting shall be quorate regardless of the number of the shareholders present and the nominal value of their shares. Resolutions on matters that were not included in the proposed agenda of the original General Meeting may only be adopted at the substitute General Meeting if all shareholders agree with it.

14. *Paragraph 14 of this Article remains without changes.*

Article 10 Participation in the General Meeting

~~1. 1. A shareholder shall be entitled to attend the General Meeting and vote there either in person or through a proxy. A shareholder shall be entitled to attend the General Meeting and vote at it. The voting by a shareholder at the General Meeting may take place provided that the statutory conditions and the conditions specified in these Articles of Association (or also contained in the rules of procedure and voting approved by the General Meeting) are complied with, inter alia in the form of correspondence voting in accordance with Section 398 (4) of the Business Corporations Act; the correspondence voting is however only and solely allowed if its conditions are specified in the invitation to the General Meeting (or in the draft resolution in the case of the per rollam decision-making). The conditions for the correspondence voting shall be determined by the Board of Directors in accordance with law and these Articles of Association.~~

~~1.2. A shareholder shall participate in the General Meeting either in person or through a proxy. The participation of a person designated by a shareholder pursuant to Section 399 (2) of the Business Corporations Act shall not be permitted, with the exception of participation of a person providing assistance to a shareholder with a disability.~~ In the case of the Company's book-entered shares, shareholders (or their proxies) registered in the records of book-entered securities of the Company kept pursuant to a special legal regulation as at the decisive date for attendance of the General Meeting shall be entitled to attend the General Meeting and exercise their shareholder's rights there, i.e. also to vote there. If the Company's shares are registered for public trading on a European regulated market, the decisive date for attendance of the General Meeting is the seventh day prior to the General Meeting (the "**Decisive Date**"). In the case of the Company's certificated shares ~~(securities)~~, shareholders registered in the list of shareholders of the Company as at the Decisive Date (or their proxies) shall be entitled to attend the General Meeting and exercise their shareholder's rights there, i.e. also to vote there, unless it is proved that such registration as at this date does not correspond to the actual state of affairs. The Company is obliged to obtain a statement from the records of book-entered securities as at the Decisive Date by the date of the General Meeting.

Current paragraph 2 of this Article is changed to paragraph 3 of this Article and current paragraph 3 of this Article is changed to paragraph 4 of this Article and their wording remain unchanged.

~~45.~~ Each share with a nominal value of CZK 1,000 shall represent one vote. A shareholder may not exercise its voting rights in the cases stipulated by law. Voting is done by ballot, in which case shareholders will receive the ballots ~~when registering upon registration~~ in the attendance list, or by any other suitable manner using technical means and allowing for electronic (or other technical) voting; the voting conditions using technical means shall be determined by the Board of Directors and specified in the invitation to the General Meeting. The General Meeting shall resolve whether voting shall be done by ballot or electronically using technical means (e.g. by approval of the rules of procedure and voting for the relevant General Meeting containing the terms of such a vote). It can also be voted using technical means in favour of the approval of the rules of procedure and voting, which specify that the vote at the General Meeting shall be performed in a manner using technical means allowing for verification of identity of any person entitled to exercise the right to vote. The General Meeting shall first vote on proposals submitted by the Board of Directors or the Supervisory Board. If such proposals are not submitted or adopted, shareholders' (counter)proposals are voted on.

~~56.~~ Shareholders attending the General Meeting shall sign the attendance list provided by the Board of Directors, which shall include the shareholder's name and surname or the name or business name and registered office or address of such shareholder and the name and surname, birth identification number and address or registered office of a person acting on its behalf (if it concerns a legal entity), or a proxy

of such shareholder or a person providing assistance to a shareholder (proxy) with a disability, and the numbers of shares and the nominal value of shares entitling the shareholder to vote, or information that the share does not entitle the shareholder to vote. Should a certain person be rejected for registration in the attendance list, this fact and the reason for the rejection shall be recorded in the attendance list. Powers of attorney of shareholders' proxies shall be attached to the attendance list and its accuracy shall be confirmed by the signature of the person convening the General Meeting (in Czech *svolavatel valné hromady*) or a person appointed by it.

67. Correspondence voting of shareholders may only and solely take place if (i) the conditions for this form of voting determined by the Board of Directors are specified in the invitation to the General Meeting, and shareholders may submit their votes in writing before the General Meeting within a time limit determined by the Board of Directors and specified by the Board of Directors in the invitation to the General Meeting (the votes submitted at any later moment will not be taken into account); and (ii) the relevant correspondence vote meets the requisites specified below in this paragraph; otherwise the correspondence vote or the participation of the shareholder voting in this manner will not be taken into account. The correspondence vote must include, in particular, the following:

- a) name and surname, residence address and date of birth in the case of a shareholder – individual, or name or business name, registered office and identification number of the shareholder – legal entity (in the case of foreign legal entities, a similar number that sufficiently identifies the legal entity may be specified, if any such number has been assigned by the relevant foreign institution or authority);
- b) the information specified above in subparagraph a) in relation to any person who represents a shareholder (legal entity) and/or a person who acts on behalf of the shareholder;
- c) number of the shares and nominal value of the shares entitling the shareholder to the vote (or an indication that the shares do not entitle the shareholder to the vote);
- d) the item on the agenda to which the correspondence voting relates or the wording of the draft put to the vote;
- e) if a shareholder is represented by a proxy, that proxy is obliged to attach to the voting form a written power of attorney to represent the shareholder in the exercise of voting and other shareholder rights;
- f) an officially verified signature of the voting person. If a correspondence vote has been signed by the representative (proxy) on behalf of the shareholder, it is necessary to prove the authorisation of the representative (proxy) to represent the shareholder. In order to prove the right to represent a shareholder, the relevant provisions of this Article 10 shall apply by analogy. Further information regarding the proving of the authorisation of the representative (proxy) to represent a shareholder in the voting by way of a correspondence vote shall be specified in the invitation to the General Meeting (in the draft resolution).

The shareholder may not change or cancel a submitted correspondence vote. Nevertheless, the shareholder may be present at the General Meeting in one of the manners stipulated in this Article. In such a case, no account shall be taken of the correspondence votes that the shareholder may have submitted earlier in respect of any voting that is to take place after that shareholder's registration in the attendance list. Shareholders voting by the correspondence vote shall be deemed to be present for the purposes of assessing whether a resolution has been adopted.

8. Any documents by which the shareholder or the shareholder's representative proves his/her/its identity, which are produced by foreign authorities or institutions or to which certification clauses of such foreign authorities or institutions are attached, shall contain another certification, i.e. shall be superlegalised or provided with an apostille or other clause (certification), which is required in official contact by the Czech authorities for similar foreign documents (or certification). If any such documents, clauses or certifications are made out in a foreign language (with the exception of the Slovak language), an official translation thereof into the Czech language shall also be attached.

Current paragraph 6 of this Article is changed to paragraph 9 of this Article and its wording remains unchanged.

Article 11

General Meeting Procedures and Decision-Making

1. *Paragraph 1 of this Article remains without changes.*
2. The chairperson of the General Meeting may also be determined by the court (~~Section 368 of the Business Corporations Act~~) if the General Meeting is convened by the shareholders specified in Article 9 (2) of these

Articles of Association on the basis of a court authorisation. Following the election of the chairperson, the General Meeting shall be conducted by its new chairperson.

Paragraphs 3 and 4 of this Article remain without changes.

5. In order for the General Meeting to adopt a resolution under Section 8 (2) (m) ~~or~~, a resolution on an amendment of the Articles of Association, a resolution as a consequence of which the Articles of Association are amended, a resolution on the authorisation of the Board of Directors to increase the registered share capital, a resolution on the possibility of offsetting a shareholder's receivable due from the Company against a receivable of the Company in respect of the payment of the issue price of shares, a resolution to issue convertible or priority bonds, a resolution on the winding-up of the Company with liquidation and a resolution on the distribution of the liquidation balance, the approval of at least a two-thirds majority of votes of the shareholders present is required.
6. The adoption by the General Meeting of a resolution under Section 8 (2) (m) and on a change of the registered share capital also requires the approval of shareholders in respect of each class of shares whose rights are to be affected by that resolution; in the case of voting in respect of a single class of shares, at least a two-thirds majority of votes of the shareholders present ~~for each class of shares, whose rights are to be affected by such resolutions shall be required.~~
7. *There are only terminological changes within the meaning of Article 5 (1) in this paragraph.*
8. A resolution on the exclusion or restriction of the priority right to the acquisition of convertible or priority bonds, on the ~~possibility of~~ distribution of profit or other Company's own sources to persons other than the shareholders under Section 34 (1) of the Business Corporations Act, on the exclusion or restriction of the priority right of a shareholder during an increase of the registered share capital by subscription for new shares, and on the increase in the registered share capital by in-kind contributions requires the approval of at least three quarters of the votes of ~~the present~~ shareholders ~~present~~. If the Company has issued various classes of shares, the aforesaid resolutions require the approval of shareholders for each class of share the rights of which are affected by such resolution; when voting under the class of share, at least a three quarters majority of votes of the ~~shareholders~~ present ~~for each class of shares, unless the rights of the shareholders holding shares of such classes remain unaffected by these resolutions is required.~~
9. In order for the General Meeting to adopt a resolution on the merger of shares or on a change in the class of shares to shares with which no voting rights are associated, the approval of all affected shareholders ~~whose shares are to be merged~~ shall be required.
10. The resolutions of the General Meeting on ~~merger, transfer of business assets to one shareholder, de-merger or on the conversion of the legal form~~ transformation of the Company must be approved by at least three quarters of the votes of shareholders present, unless stipulated otherwise by law.

Paragraphs 11 to 14 of this Article remain without changes.

Article 12

Minutes of the General Meeting

1. *Paragraph 1 of this Article remains without changes.*
2. The minutes of the General Meeting shall include:
Subparagraphs a) to e) of Article 12 (2) remain without changes.
 - f) the content of the protest of a shareholder, member of the Board of Directors or of the Supervisory Board concerning a resolution of the General Meeting, ~~if so requested by the protesting person;~~ and*Subparagraph g) of Article 12 (2) remains without changes.*

Paragraphs 3 to 5 of this Article remain without changes.

B. Board of Directors

Article 13

Position and Powers of the Board of Directors

Paragraphs 1 and 2 of this Article remain without changes.

3. The Board of Directors shall be authorised, in particular, to:
 - a) convene the General Meeting under the conditions stipulated by law and execute its resolutions;
 - b) submit to the General Meeting for approval:
 - (i) at least once a year a report on the Company's business activities, ~~on the state of its assets, and on its business policy, and on the state of its assets, in which it shall assess the state of the Company's assets and business activities in the accounting period in respect of which the financial statements are prepared and the anticipated further development of the Company's business activities, and~~ which must be prepared within four months of the end of the relevant accounting period;
 - (ii) *Point (ii) of Article 13 (3) (b) remains without changes.*
 - (iii) proposals for the distribution of profit and/or other Company's own sources, including determination of the amount and manner of payment of ~~dividends~~ shares in profit and/or in other Company's own sources and royalties (in Czech *tantiéma*), and proposals for coverage of losses;

Points (iv) to (vii) of Article 13 (3) (b) remain without changes.

(viii) the remuneration (compensation) policy and the remuneration (compensation) report pursuant to the Act on Business Activities on the Capital Market; and

(ix) proposals for significant transactions under the conditions specified in Section 121s et seq. of the Act on Business Activities on the Capital Market;

Subparagraphs c) to e) of Article 13 (3) remain without changes.
4. *Paragraph 4 of this Article remains without changes.*

Article 14

Composition of the Board of Directors, Term of Office, Meetings, and Decision-Making

1. The Board of Directors of the Company shall consist of six members, elected and recalled by the General Meeting. An individual or a legal entity complying with the conditions set out by law may become a member of the Board of Directors. If a legal entity is a member of the Board of Directors, it shall authorise ~~an~~ without undue delay a single individual, who will meet the requirements and preconditions for the performance of office set out by law for a member of an elected body, to represent this entity in the Board of Directors ~~otherwise it shall be represented by a member of its statutory body. The authorised. If the legal entity does not authorise a representative of a legal entity pursuant to this paragraph and if the representative is not registered in the Commercial Register within three months from the date on which is the legal entity's office was established, its office shall be terminated. If an individual's authorisation pursuant to Section 46 (3) of the Business Corporations Act has expired, the legal entity shall authorise without undue delay another individual to represent that legal entity in the Board of Directors; if, however, the individual is not registered in the Commercial Register within three months from the date of expiry of the authorisation of the previous representative, the office of that legal entity as a member of the Board of Directors must also comply with the conditions set out by law for the performance of office of member of the Board of Directors shall be terminated.~~
2. *Paragraph 2 of this Article remains without changes.*
3. The term of office of a member of the Board of Directors shall be three years. ~~This shall not apply to members of the Board of Directors who will be elected by the General Meeting to be held in 2014; the term of office of the Board of Directors' members elected to office by the General Meeting in 2014 shall be one year.~~ Members of the Board of Directors may be re-elected.

Paragraphs 4 to 6 of this Article remain without changes.

7. A member of the Board of Directors may resign from the office by a written notice addressed to the Board of Directors and delivered to the address of the Company's registered office ~~or submitted personally at a Board meeting to any of the Board members present at the meeting. Nevertheless, the member of the Board of Directors may not do so at a time which is inconvenient for the Company. The office of the member of the Board of Directors terminates upon expiry of one month after the day on which the aforesaid notice is delivered to the Board of Directors to the address of the Company's registered office or submitted personally at a Board meeting at which the member of the Board of Directors resigned from~~

~~their office, unless another date is approved by the Board of Directors at the request of the resigning member. The Board of Directors shall subsequently discuss the resignation of the member of the Board of Directors no later than at the next meeting following the delivery of the relevant resignation statement to the Company. The term of office of such a member of the Board of Directors shall be terminated on the day on which that member's resignation was discussed or should have been discussed by the Board of Directors, unless another date of termination of office is approved by the Board of Directors at the request of the resigning member of the Board of Directors. A member of the Board of Directors may also resign by announcing their resignation at a meeting of the Board of Directors or by submitting a written statement of resignation at a meeting of the Board of Directors to any member of the Board of Directors present, with that member's office to be terminated upon the expiry of two months after such announcement or submission of a written statement, unless another date of termination of office is approved by the Board of Directors at the request of the resigning member of the Board of Directors. A member of the Board of Directors may also resign in such a way that the notice of resignation is included in the agenda of the General Meeting and the resigning member of the Board of Directors notifies their resignation at this General Meeting. In such a case, the member's office shall terminate upon the member's notification of resignation at the General Meeting, unless the General Meeting approves another date of termination of office at the request of the resigning member of the Board of Directors. A member of the Board of Directors may not resign at a time that is inconvenient for the Company.~~

Paragraphs 8 to 10 of this Article remain without changes.

11. A meeting of the Board of Directors shall be convened by the chairperson of the Board of Directors and, if the Board of Directors does not have a chairperson, by any member of the Board of Directors, by a written invitation which includes the place, date, time and proposed agenda of the meeting. Each member of the Board of Directors shall receive an invitation with the materials for the meeting at least 10 calendar days before the meeting of the Board of Directors. ~~If all members of the Board of Directors agree to this, a~~ meeting of the Board of Directors may be convened by phone, e-mail or fax, or with the use of any other suitable technical means, no later than three calendar days before the meeting. If a meeting of the Board of Directors is convened by phone or with the use of any other suitable technical means, it must also be simultaneously convened by fax or e-mail and the invitation must include the aforesaid required information. The time limits stated above do not apply to outside-of-meeting resolutions of the Board of Directors. The chairperson of the Board of Directors must convene a meeting of the Board of Directors if requested by at least two members of the Board of Directors or the Supervisory Board. Meetings of the Board of Directors shall be held at the Company's registered office, unless the invitation states otherwise. The Board of Directors may, at its discretion, invite to its meetings members of other bodies of the Company, the Company's employees or shareholders, or other persons. A member of the Supervisory Board may attend the meeting of the Board of Directors if the Supervisory Board so requests. Each member of the Board of Directors shall perform their office in person; however, this does not prevent any member of the Board of Directors from authorising another member of the Board of Directors to vote on behalf of the authorising member of the Board of Directors at the meeting of the Board of Directors in their absence at an individual occasion.
12. *Paragraph 12 of this Article remains without changes.*
13. ~~If all members~~ Each individual member of the Board of Directors ~~agree to this, any member,~~ or all members of the Board of Directors, may attend ~~the~~ a meeting of the Board of Directors and vote ~~by phone or even if they are not present at the meeting in person, irrespective of whether or not the number of members present in person at the place of the meeting is sufficient for the Board of Directors to have a quorum. Those members of the Board of Directors who attend the Board of Directors meetings and are not present in person at the place of the meeting shall vote by telephone or any other communications~~ communication system that allows all persons attending the meeting to hear each other. A (e.g. teleconferencing or video conferencing). Any person attending the meeting and voting in this manner shall be considered present at the meeting and shall be entitled to vote ~~at the meeting. Other details of the course of the meeting pursuant to this paragraph may be stipulated in the rules of procedure of the Board of Directors.~~
14. The Board of Directors may, at the proposal of its chairperson or, if the Board of Directors does not have a chairperson, at the proposal of another member of the Board of Directors, adopt resolutions outside of a meeting by way of a written vote and/or voting by e-mail ~~or fax. Voting may only be performed in this way if all members of the Board of Directors agree to this,~~ fax or any other suitable technical means. The members voting outside of a meeting shall be considered present. The Board of Directors is quorate for outside-of-meeting voting if a simple majority of the members of the Board of Directors participate in the voting. A resolution shall be adopted if approved by a simple majority of votes of the members voting outside of its meetings. In the event of a tie vote, the chairperson's vote shall be decisive. All organisational

matters related to decision-making outside of the meeting of the Board of Directors shall be arranged for by the chairperson of the Board of Directors. Resolutions adopted outside of meetings of the Board of Directors must be incorporated into the minutes at the nearest meeting of the Board of Directors. Other details of the course of adopting resolutions outside a meeting pursuant to this paragraph may be stipulated in the rules of procedure of the Board of Directors.

15. *Paragraph 15 of this Article remains without changes.*

Article 15

Obligations of Members of the Board of Directors

1. *Paragraph 1 of this Article remains without changes.*
2. The rights and duties between the Company and a member of the Board of Directors shall be governed by applicable provisions of the Civil Code on mandate agreements *mutatis mutandis*, unless anything else arises from the agreement on performance of office (if executed) or from the ~~provision of the Business Corporations Act~~law.

Paragraphs 3 and 4 of this Article remain without changes.

5. A member of the Board of Directors may not:
 - (a) *Subparagraph a) of Article 15 (5) remains without changes.*
 - (b) be a member of the statutory body of any other legal entity with the same or similar scope of activities or a person in a similar position, unless it is a holding or a person controlled by the Company, a person controlling the Company, or related persons;
 - (c) *Subparagraph c) of Article 15 (5) remains without changes.*

A breach of the above obligations shall have the consequences specified in Section 5 of the Business Corporations Act.

6. *Paragraph 6 of this Article remains without changes.*
7. If the Company intends to enter into an agreement with an influential or controlling person or with a person controlled by the same controlling person, a member of the Board of Directors shall inform the Supervisory Board thereof without undue delay. This shall not apply if the agreement is concluded with a managing person or with another person that is a member of the same group.

C. Supervisory Board

Article 16

Position and Powers of the Supervisory Board

1. *Paragraph 1 of this Article remains without changes.*
2. The Supervisory Board:
 - a) *Subparagraph a) of Article 16 (2) remains without changes.*
 - b) shall review the ordinary, extraordinary, consolidated, and interim financial statements as well as the proposal for the distribution of profit or other Company's own sources and coverage of losses and submit its views to the General Meeting;
 - c) *Subparagraph c) of Article 16 (2) remains without changes.*
 - d) shall check whether the accounting books have been duly kept and accurately reflect reality, and whether the Company's business activities or any other activities are carried out in compliance with ~~other~~ legal regulations and these Articles of Association;

Subparagraphs e) to g) of Article 16 (2) remain without changes.

h) shall provide for an internal procedure allowing for regular review of significant transactions pursuant to Section 121v (3) of the Act on Business Activities on the Capital Market.

3. If a member of ~~aan~~ elected body of the Company intends to conclude an agreement with the Company, they shall inform the body of which they are a member and the Supervisory Board of this without undue

delay. A member of the Supervisory Board shall inform the Supervisory Board; if that member is the only member of the Supervisory Board, they shall inform the General Meeting. They shall also specify under what conditions the agreement is to be concluded. The above shall apply analogously to agreements between the Company and any persons close to a member of a body of the Company or any persons influenced or controlled by a member of a body of the Company, and also if the Company is to secure or affirm any debts of persons specified in this ~~Article~~paragraph or if the Company is to become a co-debtor together with these persons. The Supervisory Board may prohibit a member of a body of the Company from concluding such an agreement with the Company if this is not in the interest of the Company. This paragraph shall not apply to any agreements concluded within the ordinary course of business.

Article 17

Composition of the Supervisory Board and Term of Office

Paragraphs 1 to 5 of this Article remain without changes.

6. The provisions of Article 14 (5), (6) and (8) shall apply analogously to members of the Supervisory Board. A member of the Supervisory Board may resign from the office by a written notice addressed to the Supervisory Board and delivered to the address of the Company's registered office ~~or submitted personally at a meeting of the Supervisory Board to any of the members of the Supervisory Board present at the meeting. Nevertheless, the member of the Supervisory Board may not do so at a time which is inconvenient for the Company. The office of the member of the Supervisory Board terminates upon expiry of one month after the day on which the aforesaid notice is delivered to the Supervisory Board to the address of the Company's registered office or submitted personally at a meeting of the Supervisory Board at which the member of the Supervisory Board resigned from their office, unless the Supervisory Board approves another date at the request of the resigning member. The Supervisory Board shall subsequently discuss the resignation of the member of the Supervisory Board no later than at the next meeting following the delivery of the relevant resignation statement to the Company. The term of office of such a member of the Supervisory Board shall be terminated on the day on which that member's resignation was discussed or should have been discussed by the Supervisory Board, unless another date of termination of office is approved by the Supervisory Board at the request of the resigning member of the Supervisory Board. A member of the Supervisory Board may also resign by announcing their resignation at a meeting of the Supervisory Board or by submitting a written statement of resignation at a meeting of the Supervisory Board to any member of the Supervisory Board present, with that member's office to be terminated upon the expiry of two months after such announcement or submission of a written statement, unless another date of termination of office is approved by the Supervisory Board at the request of the resigning member of the Supervisory Board.~~ A member of the Supervisory Board may also resign in such a way that the notice of resignation is included in the agenda of the General Meeting and the resigning member of the Supervisory Board notifies their resignation at this General Meeting. In such a case, the member's office shall terminate upon the member's notification of resignation at the General Meeting, unless the General Meeting approves another date of termination of office at the request of the resigning member of the Supervisory Board. A member of the Supervisory Board may not resign at a time that is inconvenient for the Company. Section 58 (1) of the Business Corporations Act shall not apply.

Article 18

Meetings of the Supervisory Board and Decision-Making

1. *Paragraph 1 of this Article remains without changes.*
2. A meeting of the Supervisory Board shall be convened by the chairperson of the Supervisory Board and, if the Supervisory Board does not have a chairperson, by any member of the Supervisory Board, by a written invitation which includes the place, date, time and proposed agenda of the meeting. Each member of the Supervisory Board shall receive an invitation with the materials for the meeting at least 10 calendar days before the meeting of the Supervisory Board. ~~If all members of the Supervisory Board agree to this,~~ a meeting of the Supervisory Board may be convened by phone, e-mail or fax, or with the use of any other suitable technical means, no later than three calendar days before the meeting. If a Meeting of the Supervisory Board is convened by phone or with the use of any other suitable technical means, it must also be simultaneously convened by fax or e-mail and the invitation must include the aforesaid required information. The time limits stated above do not apply to outside-of-meeting resolutions of the Supervisory Board. The chairperson of the Supervisory Board must convene a Meeting of the Supervisory Board if requested by any member of the Supervisory Board. The Meeting of the Supervisory Board shall be held at the Company's registered office, unless the invitation provides otherwise. Members of the Supervisory

Board shall perform their office in person; however, this will not prevent a member authorising another member of the Supervisory Board in an individual case to vote on their behalf at a meeting of the Supervisory Board in their absence. The Supervisory Board may, at its discretion, invite members of other bodies of the Company, its employees or shareholders, or other persons to its meetings.

3. *Paragraph 3 of this Article remains without changes.*

4. ~~If all members~~ Each individual member of the Supervisory Board ~~agree to this, any member,~~ or all members of the Supervisory Board, may attend ~~the Meeting~~ a meeting of the Supervisory Board and vote ~~by phone or even if they are not present at the meeting in person, irrespective of whether or not the number of members present in person at the place of the meeting is sufficient for the Supervisory Board to have a quorum. Those members of the Supervisory Board who attend the Supervisory Board meetings and are not present in person at the place of the meeting shall vote by telephone or any other communications~~ communication system that allows all persons attending the meeting to hear ~~one another. Persons who attend~~ each other (e.g. teleconferencing or video conferencing). Any person attending the meeting and ~~vote~~ voting in this manner shall be considered present at the meeting and shall be entitled to vote ~~at the meeting. As regards other details of the meeting, the provisions of Article 14 (13) shall apply by analogy.~~

Paragraphs 5 to 10 of this Article remain without changes.

D. Audit Committee

Article 19

Position and Powers of the Audit Committee

Articles 19 remains without changes.

Article 20

Composition of the Audit Committee and Term of Office

1. *Paragraph 1 of this Article remains without changes.*

2. The term of office of a member of the Audit Committee is three years. ~~This shall not apply to members of the Audit Committee who will be elected by the General Meeting to be held in 2014; the term of office of the Audit Committee's members elected to office by the General Meeting in 2014 shall be one year.~~ The members of the Audit Committee may be re-elected.

Paragraphs 3 to 5 of this Article remain without changes.

6. A member of the Audit Committee may resign from the office by a written notice addressed to the Audit Committee and delivered to the address of the Company's registered office ~~or submitted personally to any attending.~~ The Audit Committee shall subsequently discuss the resignation of the member of the Audit Committee no later than at the next meeting of the Audit Committee. However, the following the delivery of the relevant resignation statement to the Company. The term of office of such a member of the Audit Committee shall be terminated on the day on which that member's resignation was discussed or should have been discussed by the Audit Committee, unless another date of termination of office is approved by the Audit Committee at the request of the resigning member of the Audit Committee. A member of the Audit Committee may not do so at a time which is inconvenient for the Company. The term of office of a member of the Audit Committee terminates one month following the delivery of the notice to the Audit Committee to the address of the Company's registered office also resign by announcing their resignation at a meeting of the Audit Committee or following the day on which the notice was submitted by submitting a written statement of resignation at a meeting of the Audit Committee at which the to any member of the Audit Committee resigned from the office, unless the Audit Committee approves another date of termination of present, with that member's office to be terminated upon the term expiry of two months after such announcement or submission of a written statement, unless another date of termination of office is approved by the Audit Committee at the request of the resigning member of the Audit Committee. A member of the Audit Committee may also resign from their office in such a way that an item will be included in the agenda of the General Meeting, under which the resignation from the office will be announced, and the member of the Audit Committee will then announce their resignation at the General Meeting. In such a case, the member's term of office terminates upon announcement of the resignation from the office at the General Meeting, unless the General Meeting determines another date of termination of ~~the term of~~ office at the request of the resigning member. The term of office of a member of the Audit

Committee shall also terminate upon election of a new member, unless something else ensues from the resolution of the General Meeting. A member of the Audit Committee may not resign at a time that is inconvenient for the Company.

7. *Paragraph 7 of this Article remains without changes.*

Article 21

Meetings of the Audit Committee and Decision-Making

1. *Paragraph 1 of this Article remains without changes.*
2. A meeting of the Audit Committee shall be convened by the chairperson of the Audit Committee and, if the Audit Committee does not have a chairperson, by any member of the Audit Committee, by a written invitation which includes the place, date, time and proposed agenda of the meeting. Each member of the Audit Committee shall receive an invitation with the materials for the meeting at least 10 calendar days before the meeting of the Audit Committee. ~~If all members of the Audit Committee agree to this, a~~ meeting of the Audit Committee may be convened by phone, e-mail or fax, or with the use of any other suitable technical means, no later than three calendar days before the meeting. If a meeting of the Audit Committee is convened by phone or with the use of any other suitable technical means, it must also be simultaneously convened by fax or e-mail and the invitation with materials must include the aforesaid required information. The time limits stated above do not apply to outside-of-meeting resolutions of the Audit Committee. The chairperson of the Audit Committee must convene a meeting of the Audit Committee if requested by any member of the Audit Committee. If, in such a case, a meeting of the Audit Committee is not convened within five business days of the delivery of the request for convocation of a meeting of the Audit Committee to the chairperson of the Audit Committee, or if the Audit Committee does not have a chairperson, the meeting of the Audit Committee may be convened and conducted by the given member of the Audit Committee. The meeting of the Audit Committee shall be held at the Company's registered office, unless the invitation provides otherwise. Members of the Audit Committee shall perform their office in person; however, this will not prevent a member authorising another member of the Audit Committee in an individual case to vote on their behalf at a meeting of the Audit Committee in their absence. The Audit Committee may, at its discretion, invite to its meetings members of other bodies of the Company, its employees or shareholders, or other persons.
3. *Paragraph 3 of this Article remains without changes.*
4. ~~If all members~~ Each individual member of the Audit Committee ~~agree to this, any member,~~ or all members of the Audit Committee, may attend ~~the~~ a meeting of the Audit Committee and vote ~~by phone or even if they are not present at the meeting in person, irrespective of whether or not the number of members present in person at the place of the meeting is sufficient for the Audit Committee to have a quorum. Those members of the Audit Committee who attend the Audit Committee meetings and are not present in person at the place of the meeting shall vote by telephone or any other communicationscommunication system that allows all persons attending the meeting to hear one another. Persons who attend each other (e.g. teleconferencing or video conferencing). Any person attending the meeting and vote voting in this manner are shall be~~ considered present at the meeting and ~~are shall be~~ entitled to vote ~~at the meeting. As regards other details of the meeting, the provisions of Article 14 (13) shall apply by analogy.~~

Paragraphs 5 to 7 of this Article remain without changes.

III. Economic Management of the Company

Article 22

Records, Accounting, and Ordinary Financial Statements

Paragraphs 1 and 2 of this Article remain without changes.

3. The Board of Directors shall submit the financial statements to the auditors together with a request for a review of the business activities of the Company for the relevant period. Having received the auditor's report on the review of the financial statements and business activities of the Company, the Board of Directors shall submit the financial statements and the auditor's report to the Supervisory Board together with the proposal for the distribution of profit ~~or~~ and/or other Company's own sources or for the coverage of losses.

4. The Supervisory Board shall examine the financial statements and the proposal for the distribution of profit ~~and/or other Company's own sources or for the~~ coverage of losses and provide its statement to the General Meeting.
5. ~~After The Company is required to publish~~ the financial statements and the annual report ~~are verified by after the auditor and approved by the General Meeting, the Company is required to publish them~~ relevant statutory conditions are met.

Paragraphs 6 to 9 of this Article remain without changes.

Article 23

Distribution of Profit and/or Other Company's Own Sources and Coverage of Losses

1. The profit and/or other Company's own sources shall be distributed, or losses covered, in the manner approved by the General Meeting after the examination by the Supervisory Board of the manner proposed by the Board of Directors.
2. ~~A share in The~~ profit and/or also other Company's own sources may also be distributed among members of the bodies of the Company (royalties).
3. The profit (or other Company's own sources) remaining after the payment of tax and other similar liabilities ~~(the "Company's Net Profit")~~, shall be used in accordance with the resolution of the General Meeting in the following order and in the following way:

Subparagraphs a) and b) of Article 23 (3) remain without changes.

- c) the payment of ~~dividends~~ shares in profit and/or in other Company's own sources to shareholders;
- d) the payment of ~~a share~~ shares in profit and/or in other Company's own sources to members of the bodies of the Company (royalties).

~~The order specified above shall not be binding upon the General Meeting. The General Meeting is not obliged to resolve on the use of the profit or other Company's own sources in all manner specified above.~~

4. The Company may not pay out ~~shares in profit or funds from its other sources, and/or provide any advance payments for them in other Company's own sources~~, if this would lead to the insolvency of the Company pursuant to another legal regulation. This shall also apply to any advance payment of the shares in profit.
5. ~~The shareholders'~~ A shareholder's share in the ~~profits of the Company (dividend)~~ profit and in other Company's own sources shall be determined based on the proportion of the ~~shareholder's share in nominal value of the shares owned by the~~ particular shareholder to the Company's registered share capital ~~of the Company.~~
6. ~~The condition for the payment of a share in profit and/or in other Company's own sources or in the liquidation balance to a shareholder is the entry of that shareholder's beneficial owner in the register of beneficial owners in accordance with the Act on Register of Beneficial Owners, if the shareholder is obliged to arrange for the entry of the beneficial owner. In order to verify these facts, the shareholder may be invited to submit an up-to-date extract from the register of beneficial owners and a related declaration confirming that the information entered in the register and stated in the submitted extract is up-to-date. The Company~~ essentials associated with the submission of this extract and related declaration shall pay ~~be set out~~ shares in profit at its own cost and risk, by bank transfer to the shareholder's account specified in the list of shareholders; payment of the share in profit in another appropriate manner determined in the resolution of ~~in the invitation to the General Meeting on the distribution of profit among shareholders owning book entered (or in the draft resolution). If the shareholder does not provide, based on a request stated in the invitation to the General Meeting (or in the draft resolution), the extract proving the registration of its beneficial owner and the related declaration (if requested) for the purpose of payment of a share in profit and/or in other Company's own sources or in the liquidation balance, the Company shall not pay the given shares kept in the records of securities pursuant to Article 5 (2) above shall not be affected thereby. In the case of members of the bodies of the Company, the Company shall also pay shares or liquidation balance. Any right to a share in profit to such persons by bank transfer to the account as notified by them. and/or in other Company's own sources that has not been paid due to the absence~~

of the entry of the beneficial owner in the relevant register under the Act on Register of Beneficial Owners by the end of the accounting period in which it was resolved on its payment, shall cease to exist.⁹

6. The Company may provide financial assistance under the conditions defined by the Business Corporations Act.¹⁰

IV. Registered Share Capital Increase

Article 24

Registered Share Capital Increase

Paragraphs 1 and 2 of this Article remain without changes.

3. If the registered share capital is increased by subscription of new shares by a company whose shares are accepted for trading on a regulated European market or whose issuance is the last condition for such shares being accepted on a regulated European market, the registered share capital increase shall become effective upon subscription of the shares and provision of all non-monetary contributions or upon payment of the prescribed part of their issue price, unless the determined by these Articles of Association or a resolution of the General Meeting on the registered share capital increase stipulates otherwise with whose payment that resolution associates the effects of the registered share capital increase; if such part of the issue price is determined by these Articles of Association, a resolution of the General Meeting on the registered share capital increase may determine a different moment of the effect of the registered share capital increase. However, the registered share capital increase cannot become effective earlier than the shares having been subscribed and later than the new amount of the registered share capital having been registered in the Commercial Register.

Article 25

Registered Share Capital Increase by Subscription for New Shares

Paragraphs 1 and 2 of this Article remain without changes.

3. Each shareholder shall have a priority right to subscribe for part of the new shares of the Company which are being subscribed for with the aim of increasing the registered share capital, in based on the proportion of their the nominal value of the shares owned by that shareholder to the registered share capital, if the issue price thereof is to be paid in money. ~~The priority right of shareholders to subscribe for the shares which were not subscribed for by another shareholder is excluded.~~
4. The Board of Directors shall ~~send~~ notify the shareholders of the information concerning the priority right, which must contain all the essentials stipulated by law ~~to the shareholders~~, in the manner determined by law and these Articles of Association for convening the General Meeting and, at the same time, shall officially publish such information. The period for the exercise of the priority right must not be shorter than two weeks from the delivery of information to this effect.
5. *Paragraph 5 of this Article remains without changes.*
6. In its resolution on the increase of the registered share capital, the General Meeting can resolve that a determined portion or all of the shares not subscribed for by the use of priority rights can be subscribed for by shareholders based on an agreement under Section 491 of the Business Corporations Act, or can be offered to a designated interested party or parties, together with the specification of such parties and/or the manner of selecting such party or parties. ~~Should the resolution of the General Meeting not contain the above information, the shares shall, or that they will~~ be offered for subscription based on a public offer.
7. *Paragraph 7 of this Article remains without changes.*

Article 26

Registered Share Capital Increase from the Company's Own Sources

Article 26 remains without changes.

⁹ The wording of Article 23 (6) in italics shall take effect on 1 June 2021.

¹⁰ The existing Article 23 (6), in the wording effective until 1 June 2021, shall be re-numbered to Article 23 (7) effective as of 1 June 2021.

Article 27
Conditional Increase of the Registered Share Capital

Article 27 remains without changes.

Article 28
Increase of the Registered Share Capital by the Board of Directors

1. The General Meeting can authorise the Board of Directors to resolve, under the conditions set by the Business Corporations Act and these Articles of Association, on the increase of the Company's registered share capital by subscription for new shares, conditional registered share capital increase or an increase of the registered share capital from the Company's own sources, ~~except for the retained profit,~~ at most by one half of the amount of the registered share capital existing at the time when the Board of Directors is so authorised by the General Meeting. The authorisation as per the preceding sentence shall substitute the resolution of the General Meeting on the registered share capital increase and shall specify
 - a) the ~~nominal value and class of the~~maximum number of shares to be issued for the purposes of the registered share capital increase, ~~their type or indication and other information about the shares that they will be issued as book entered securities~~are stipulated in Section 475 (b) of the Business Corporations Act; and
 - b) which body of the Company will resolve on the valuation of an in-kind contribution based on an expert opinion, if the Board of Directors has been authorised to increase the registered share capital.Within the scope of the authorisation, the Board of Directors may increase the registered share capital more than once, provided that the aggregate amount of the registered share capital increase does not exceed the limit specified in the authorisation.
2. *Paragraph 2 of this Article remains without changes.*
3. If the Board of Directors resolves to increase the registered share capital by subscription for new shares, the priority right of shareholders to subscribe, ~~in proportions corresponding to their share in based on the proportion of the nominal value of their shares to~~ the registered share capital, for part of the new shares that are being subscribed for with the aim of increasing the registered share capital, may not be excluded or restricted, ~~if the issue price is to be paid in cash.~~
4. The resolution of the Board of Directors to increase the registered share capital shall be certified by a public deed and such resolution shall be registered in the Commercial Register. ~~The Board of Directors cannot resolve on the registered share capital increase outside its meeting in the manner described in Article 14 (14) of these Articles of Association. The application for registration of the resolution of the Board of Directors may be combined with an application for registration of the new amount of the registered share capital in the Commercial Register.~~

V. Registered Share Capital Reduction

Article 29
Registered Share Capital Reduction

Paragraphs 1 to 3 of this Article remain without changes.

4. Should the Company not have own shares in its assets, or should the use of these shares be insufficient under paragraph 3 of this Article for the registered share capital reduction, ~~or should this procedure not fulfil the purpose of the registered share capital reduction,~~ the Company shall reduce the nominal value of the shares, or shall refrain from the issue of unpaid shares.
5. A registered share capital reduction by withdrawing shares from circulation on the basis of drawing lots or withdrawing shares from circulation on the basis of a ~~public proposal~~contract is inadmissible.
6. The Board of Directors shall file an application for the registration of the resolution of the General Meeting in the Commercial Register without undue delay. ~~The application for the registration of the resolution of the General Meeting may be combined with an application for the registration of the new amount of the registered share capital in the Commercial Register.~~

Article 30
Registered Share Capital Reduction by Reducing Nominal Value of Shares

Article 30 remains without changes.

Article 31
Registered Share Capital Reduction by Refraining from Issue of Shares

1. The General Meeting can resolve on a reduction of the registered share capital by refraining from issuing shares, to the extent of the sum of the nominal values of the unpaid shares, to the extent the subscribers are in default in paying the nominal value of the shares, unless the Company expels the defaulting shareholder from the Company.
2. If the Company has issued interim certificates for unpaid shares, the issue of unpaid shares shall be refrained from in such a manner that the Board of Directors shall invite the shareholder that is in default in paying the issue price or part of it to submit its interim certificate within a period determined by the General Meeting. The Company shall not issue the shares represented by the interim certificate and it shall return to the subscriber, without undue delay after the effectiveness of the registered share capital reduction, the part of the issue price paid by the subscriber, reduced by the Company's claims against the subscriber. The shareholder that From the effective date of the share capital reduction, the shareholder shall not exercise any shareholder rights associated with the interim certificate based on the interim certificate pursuant to the previous sentence. If a shareholder pursuant to this paragraph is in default in submitting the interim certificate(s) within the specified period shall not be entitled to exercise the shareholder rights attached to it until its submission and, the Board of Directors shall apply the procedure set out in Sections 537 to 541 of the Business Corporations Act. If the Company has not issued interim certificates for the unpaid shares, any unpaid share shall cease to exist upon the effective date of the share capital reduction, and the Company shall return to the subscriber without undue delay after the effective date of the share capital reduction the issue price paid to the relevant date, after offsetting its receivables from the subscriber.

VI. Amendments of the Articles of Association

Article 32
Amendments of the Articles of Association

1. *Paragraph 1 of this Article remains without changes.*
- ~~2. Should the General Meeting resolve to split shares or merge several shares into one, change the type or class of shares or restrict or change the transferability of registered or book-entered shares, the appropriate amendment of the Articles of Association shall be effective as of the day of the entry of such facts into the Commercial Register. Other~~ 2. Any amendments of the Articles of Association that are subject to the resolution of the General Meeting shall become effective upon the General Meeting adopting such a resolution, unless it ensues from the resolution or from law that they shall become effective later.

Paragraphs 3 to 5 of this Article remain without changes.

6. Upon ~~transformation~~ change of certificated shares into book-entered shares ~~into certificated shares~~ and upon ~~transformation~~ change of ~~certificated~~ book-entered shares into ~~book-entered~~ certificated shares, the legal position of a shareholder will only change upon the replacement of the shares or upon the shares being declared invalid.

VII. Winding-up and Termination of the Company's Existence

Articles 33 to 35 remain without change.

VIII. Acting on behalf of the Company

Article 36

Acting and Signing on behalf of the Company

1. *Paragraph 1 of this Article remains without changes.*
2. Two members of the Board of Directors jointly are authorised to act on the behalf of the Company. When signing on behalf of the Company two members of the Board of Directors jointly shall attach their signatures ~~and, where appropriate, information on their position~~ to the Company's printed or written business name.
3. *Paragraph 3 of this Article remains without changes.*

IX. Common and Final Provisions

Articles 37 and 38 remain without change.

Article 39

Subjection to the Business Corporations Act

The Company ~~becomes subject~~has subjected itself to the Business Corporations Act as a whole. The registration of this fact ~~is to be~~has been published in the Commercial Register in a manner allowing remote access pursuant to the Act on Public Registers of Legal Entities and Individuals.

Philip Morris ČR a.s.

SCHEDULE 7

**Voting Form for the Company's Shareholders to Express Their Opinions
on the Draft Decisions**

(voting form can be found on the next page)



PHILIP MORRIS ČR VOTING FORM

for the decision-making of the General Meeting of
Philip Morris ČR a.s.,

whose registered office is in Kutná Hora, Vítězná 1, postcode: 284 03,
identification number: 14803534 (the "Company"),

performed in writing outside the meeting,

on which the Company's Board of Directors decided at the meeting held on 1 February 2021

When completing the Voting Form, please follow the instructions for the decision-making performed outside the
General Meeting of the Company ("per rollam")

Identification number of the shareholder or its proxy:
DO NOT FILL IN; to be used by the Company for internal use

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Draft decision no. 1.1. to point no. 1 of the order of decisions Approval of the Report of the Board of Directors on the Business Activities of the Company	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>
Draft decision no. 3.1. to point no. 3 of the order of decisions Approval of the 2020 ordinary financial statements	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>
Draft decision no. 3.2. to point no. 3 of the order of decisions Approval of the 2020 ordinary consolidated financial statements	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>
Draft decision no. 3.3. to point no. 3 of the order of decisions Approval of the proposal for the distribution of profit for the year 2020, including an indication of the amount of profit shares	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>
Draft decision no. 4.1. to point no. 4 of the order of decisions Approval of the 2020 Remuneration Report	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>
Draft decision no. 5.1. to point no. 5 of the order of decisions Election of Mr. Petr Šedivec to the office of a member of the Board of Directors of the Company	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>
Draft decision no. 6.1. to point no. 6 of the order of decisions Election of Ms. Alena Zemplerová to the office of a member of the Supervisory Board of the Company	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>



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Draft decision no. 6.2. to point no. 6 of the order of decisions Election of Ms. Stanislava Juríková to the office of a member of the Supervisory Board of the Company	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>
Draft decision no. 7.1. to point no. 7 of the order of decisions Election of Ms. Stanislava Juríková to the office of a member of the Audit Committee of the Company	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>
Draft decision no. 7.2. to point no. 7 of the order of decisions Election of Mr. Johannes van Capelleveen to the office of a member of the Audit Committee of the Company	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>
Draft decision no. 8.1. to point no. 8 of the order of decisions Appointment of the Company's auditor	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>
Draft decision no. 9.1. to point no. 9 of the order of decisions Approval of the amendment of the Company's Articles of Association, in the wording of the relevant draft decision, including its justification attached by the Board of Directors and prepared in the form of Notarial Record NZ 50/2021 N 60/2021 of 18 March 2021, whose copy is attached as Schedule 5 to the draft decisions of the General Meeting and whose electronic copy is published in a manner allowing for remote access on the following website: http://www.philipmorris.cz , in section titled "For shareholders". The draft of the amendments of the Company's Articles of Association (with marked amendments) is attached as Schedule 6 to the draft decisions of the General Meeting, and the draft of the new full wording of the Company's Articles of Association with the marked amendments (the underlined text is proposed to be inserted, the crossed-out text is proposed to be deleted) is published in a manner allowing for remote access on the following website: http://www.philipmorris.cz , in section titled "For shareholders".	FOR <input type="checkbox"/>	AGAINST <input type="checkbox"/>



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When completing the Voting Form, please follow the instructions for the decision-making performed outside the
General Meeting of the Company ("per rollam")

.....
First name and surname / Name or business name of the shareholder (legal entity)

.....
Date of birth / Identification (registration) number of the shareholder (legal entity), if assigned

.....
Residence address / Registered office of the shareholder (legal entity)

.....
Information on the person(s) acting on behalf of the shareholder (legal entity) *

* To be filled in only if the shareholder is a legal entity. Information on any person acting on behalf of the shareholder means the first name and surname of the particular individual and that individual's position (e.g. an Executive Director, Member of the Board of Directors, etc.), or any other identification information if the person acting on behalf of the shareholder is a legal entity.

.....
Number of shares with which the shareholder participates in the voting *

* If the number of shares is not specified in the Voting Form or if the number of shares is higher than that resulting from the Register of Book-Entered Securities or the List of Shareholders as at the Decisive Date, the shareholder will participate in the *per rollam* decision-making to the extent of the shares specified in the Register of Book-Entered Securities or the List of Shareholders as at the Decisive Date. If a lower number of shares is specified in the Voting Form than that resulting from the Register of Book-Entered Securities or the List of Shareholders as at the Decisive Date, the shareholder will participate in the *per rollam* decision-making to the extent of that lower number of shares specified in the Voting Form;

If the shareholder is represented by a proxy on the basis of a power of attorney, the following information on the proxy shall be provided:

.....
First name and surname / Name or business name of the shareholder's proxy (if the proxy is a legal entity)

.....
Date of birth / Identification no. of the shareholder's proxy (if the proxy is a legal entity)

.....
Residence address / Registered office of the shareholder's proxy (if the proxy is a legal entity)

.....
Information on the person(s) acting on behalf of the shareholder's proxy (if the proxy is a legal entity) *

* To be filled in only if the shareholder's proxy is a legal entity. Information on any person acting on behalf of the shareholder's proxy means the first name and surname of the particular individual and that individual's position (e.g. an Executive Director, Member of the Board of Directors, etc.), or any other identification information if the person acting on behalf of the shareholder's proxy is a legal entity.



PHILIP MORRIS ČR **VOTING FORM**

for the decision-making of the General Meeting of
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on which the Company's Board of Directors decided at the meeting held on 1 February 2021

When completing the Voting Form, please follow the instructions for the decision-making performed outside the
General Meeting of the Company ("per rollam")

.....
Officially verified signature of the shareholder or the shareholder's proxy

DRAFT