



CODE OF CONDUCT

Under Legislative Decree 231/2001

Adopted by the Board of Directors on

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PREMISE

This Code of Conduct for the purposes of L.D. 231/01 (hereinafter referred to as the “Code”), which constitutes an *official document* of the Company, was approved by the administrative body of Philip Morris Italia S.r.l. (hereinafter the “Company”) for the first time on April 12, 2005 and subsequently updated.. The Code is addressed to directors, managers, employees, consultants, collaborators, agents, proxies and third parties (hereinafter, collectively referred to as the “Addressees”) who perform activities in the interest and/or to the advantage of the Company.

The purpose of the Code of Conduct, together with the Organizational Model adopted by the Company as provided according to the laws in this matter, (the “Model”) is to introduce and make binding within the Company the principles and rules of conduct pertinent to the aim of the reasonable prevention of the offences indicated in Legislative Decree no. 231/01 (hereinafter also the “Decree 231”). Thus it is not intended to replace the principles and rules appearing in any corporate or professional ethical codes already adopted within the Philip Morris International Inc. (hereinafter “Philip Morris International”), in its operations or in its affiliates, such as the Company, but rather to supplement their contents.

In particular, such codes include the Group’s “Code of Conduct for Compliance and Integrity”, the “Marketing Code”, as well as any Principles&Practices issued by Phillip Morris International where fundamental principles and rules

of conduct are established to inspire daily actions of all the employees in the Company.

Therefore, this Code becomes an integral part of the Company's existing compliance system.

WHAT DOES DECREE 231 PROVIDE FOR

What does the Decree 231 provide?

The Decree 231 provides that the Company is liable for offences committed in its interest and advantage by:

- a) persons holding representative, administrative or executive functions in the Company;
- b) persons under the management or supervision of one of the subjects in a).

The Company is not liable for offences committed by the above-cited persons, in the case where it can demonstrate (among other things) that it has:

- adopted and effectively implemented appropriate organizational and management models for the prevention of offences of the type committed;
- entrusted the task of supervising the functioning and observance of the above-mentioned models to a special body of the organization.

What are the Company's liabilities? In the case where the Company is unable to prove the above-listed circumstances, it shall be subject to the following penalties:

a) Fines: from a minimum of € 25,823 to a maximum of € 1,549,371.

b) Prohibitory Sanctions (effective not less than 3 months and not more than two years):

- disqualification from performing the activity;
- suspension or revocation of authorizations, licenses or concessions involved in the commission of the wrong;
- ban on establishing contracts with the P.A.;
- exclusion from reductions, funding, contributions or subsidies;
- ban on advertising its goods or services.

c) Seizure of the price or proceeds of the offence;

d) Publication of the conviction.

What are the risks for subjects who commit one of the offences cited in the Decree 231? Whoever commits one of the offences cited in the Decree 231 shall be personally and criminally liable for his/her unlawful conduct.

Decree 231?

What are the offences for which the Company may be held liable? The offences which may imply corporate liability are integrally listed in the 'List of offences' attached to the Model (Annex 1).

What is an organization and management Model?

A set of rules, instruments and behaviors, developed for potential offence situations, serving to provide the Company with an effective organizational and management system that is reasonably fit to identify and prevent criminally significant conduct on the part of the institution itself or of subjects under its management and/or supervision.

The Model is composed of the following essential elements:

- procedures and protocols qualifying the internal control system adopted by the Company;
- procedural and behavioral principles contained in this Code;
- rules on the composition and functioning of the Supervisory Board and on its relative powers and obligations;
- the internal disciplinary system;
- the specific activity training.

What is a Code of Conduct?

The Code is an official Company document containing the set of principles to which the Company's activity and that of subjects operating on its behalf conform. This code seeks to enjoin, promote or prohibit given behaviors, beyond and independently of that foreseen by the norms. The Code is a document commissioned and approved by the Company's top management.

Who is a Public Official?

Art. 357 of the Penal Code defines a “*public official*” as one who “exercises a public legislative, judiciary or administrative function”.

Those *administrative functions* are considered to be *public* which are regulated by rules of public law and by enabling acts and are characterized by the formation and manifestation of the will of the Public Administration or by its performance by means of enabling or certificating powers”.

- *Rules of public law* are those oriented towards the pursuit of a public aim or the safeguarding of a public interest.

Enabling power allows the P.A. to achieve its goals through veritable orders, to which the private party is subject. This is the activity in which the so-called *potere d'imperio* is expressed, including both powers of coercion (arrest, searches, etc.) and notification of violations of the law (investigation of transgressions, etc.) and powers of hierarchical supremacy within public Offices.

- *Certificating* powers are those attributing to the certifier the power to certify for a fact as official evidence, unless subject to lawsuit for forgery.

By way of example, P.O. include:

- MPs;

- Magistrates;
- Members of Parliamentary investigative commissions as per Art, 82 Cost.;
- Members of Call for Tenders Commissions;
- Members of the Municipal Technical Department;
- University employees when exercising a certificating and/or authorizing power;
- Notaries;
- Military in the Finance Police and those in the Carabinieri, Police and Fire Department;
- Directors of public institutions (Ministries, Regions, Provinces, Municipalities, and independent administrative authorities, such as Consob, Antitrust, etc...)
- Employees and directors of the Italian Revenue Agency and of the Customs and Monopoly Agency;
- Directors of state economic bodies;
- INPS managers.

Who is a Civil Servant?

Art. 358 of the Penal Code defines a civil servant as someone who “offers a public service in any capacity”.

- “*in any capacity*” in the sense that a subject exercises a public function, including without formal or regular investiture (“*di facto*” civil servant). In fact, the expression does not indicate the relationship between the P.A. and the subject performing the service.
- “*Public Service*” means an activity regulated by the rules of public law and by enabling acts, but characterized by a lack of enabling or certificating powers.

By way of example, the following are considered to be Civil Servants;

- Manager of a public dump;
- Director of the Trade Exhibition Agency;
- Public officials performing non-certificating or non-enabling activities
- Directors and managers of privatized state-owned economic bodies (ENEL, National Railways, Alitalia, and the Post.)

What is the Supervisory Body?

It is a body internal to Company, having autonomous initiative and control powers, which has the duty to supervise the effectiveness of the Model and/or of its

constitutive elements and to keep the same up to date.

What is the Disciplinary System? The Disciplinary System is provided for by article 6, paragraph 2, letter e) of the Decree 231 and is aimed at implementing all the measures indicated in the Model, by sanctioning any disrespect of the same.

PRINCIPLES

GENERAL PRINCIPLES

PRINCIPLE 1: Observance of the Code

The Company guides its activities on the basis of the principles in this Code.

PRINCIPLE 2: Observance of laws and regulations

Observance of the laws and regulations in force in all countries in which it operates is held by the Company to be an indispensable principle, which must be followed by all company bodies and their Members and company employees, as well as, on the basis of specific contractual provisions, by consultants, collaborators, agents, proxies and third parties acting on behalf of the Company.

PRINCIPLE 3: Observance of ethical code and self-regulation provision

The Company guides its activities on the basis of ethical and self-regulation rules, specifically those contained in the Group's Code of Conduct for Compliance and Integrity, to which the Company itself has formally adhered, and which must be followed by all company bodies and their Members and company employees as well as, on the basis of specific contractual provisions,

by consultants, collaborators, agents, proxies, and third parties acting on behalf of the Company.

PRINCIPLE 4: Compliance with the procedures and the Model

All company bodies, their Members and employees and - in accordance with specific contractual provisions (and if applicable) - consultants, collaborators, agents, proxies, and third parties acting on behalf of the Company are required to follow the corporate operational procedures and the provisions of the Model of the Company.

GENERAL ETHICAL PRINCIPLES

PRINCIPLE 5: Proper Conduct

The Company shall ensure that all subjects operating within it comply with the principles of proper conduct and trust in the carrying out of their internal and external functions, also in order to maintain the Company's image and trust relationship established with customers and, in general, with third parties.

PRINCIPLE 6: Honesty in business dealings

The Company's personnel and consultants, collaborators, agents, proxies and third parties acting on behalf of the Company must assume proper, honest conduct, both in carrying out their duties and in relationships with other member of the Company, avoiding the pursuit of unlawful or illegitimate ends, or the generation of situations of conflict of interest in order to obtain for themselves or for third parties an undue advantage.

In no case may the interest or advantage of the company induce and/or justify dishonest conduct.

PRINCIPLE 7: Transparent and complete information

In compliance with the principle of transparency, the Company commits to disseminate correct, truthful and complete information to third parties.

PRINCIPLE 8: Fair competition

Respecting national and EU provisions of law on antitrust matters, as well as the guidelines and directives from the Italian Antitrust Authority, the Company shall not carry out conduct aimed at harming the freedom of industry and commerce, nor shall it sign agreements with other companies that could negatively influence the regime of competition and equal opportunity of the market of reference.

The Company protects its own intellectual property rights (patents, trade names, trademarks, author's rights and trade secrets).

At the same time, it shall not breach any license agreements on others' intellectual property and shall not carry out any unauthorized use thereof.

PRINCIPLE 9: Impartiality

The Company is committed to respecting the principles of impartiality and trust, not only in the execution of duties delegated to individuals, but also in relationships with its stakeholders.

PRINCIPLE 10: Confidentiality and Protection of Privacy

The Company pays specific attention to implementing the provisions on the matter of the protection and safeguarding of personal data envisaged by L.D. 196/2003 and by the EU Directive 2016/679 ("GDPR").

In particular, it is forbidden to directly or indirectly:

- Reveal company information to others, including other employees, unless said parties have a legitimate need to know as a result of their work, and, if such parties are not employees, they have accepted to keep such information confidential;

- use company information for any purpose other than that for which it is designed;
- make copies of documents containing company information or remove documents or other filed materials or copies of the same from workstations, with the exception of when this is necessary in order to carry out specific duties;
- unduly destroy company information.

All company documents, e-mail messages or other material containing company information, as well as materials drawn up using such documents, are the property of the Company and must be returned to the Company upon request of the same or upon termination of the work relationship.

Documentation which is not required to be stored must be destroyed using a method that complies with company policy and, if it contains personal data, in compliance with the provisions of L.D. no 196/2003 and in the GDPR.

PRINCIPLES OF ORGANIZATION

PRINCIPLE 11: Transactions and settlements

All transactions and/or settlements, understood in the broadest sense of the terms, must be legitimate, authorized, sound, proper, documented, recorded and verifiable.

- 1) Procedures regulating transactions shall allow the possibility of effecting controls of the transaction and/or settlement's characteristics, reasons behind its execution, authorizations for its performance, and the execution of the transaction and/or settlement itself;
- 2) Each subject effecting transactions and/or settlements involving a sum of money, goods or other economically calculable benefits belonging to the Company shall act under authorization and supply all valid evidence for control purposes upon request;
- 3) Each company function is responsible for the truthfulness, authenticity and validity of the documentation and information resulting from the performance of the activities within its competence.

PRINCIPLE 12: Purchase of goods and services and the hiring of external consultants.

Employees and subjects carrying out any purchase of goods and/or services on behalf of the Company, including hiring external consultants, shall act in observance of the principles of transparency, proper conduct, economy, quality, relevance and lawfulness and operate with the diligence of a responsible father.

The contractual documentation governing relations with consultants and suppliers shall contain specific clauses that regulate the consequences deriving from the commission by them of one or more of the offences provided for in the Decree 231 and clauses related to training and reporting obligations of the suppliers and consultants that interact with Public Officials and Civil Servants.

Proceeds and payments shall be effected, where possible, preferably via bank transfers and/or bank checks. Proceeds and payments effected in cash must always be documented and within the amount limits envisaged by the anti-money laundering provisions.

Payments for the purchase of goods, services or consultancy shall be performed only after the filing of documents that give proper evidence of the delivery of the goods or the performance of the service.

PRINCIPLE 13: Staff selection

The selection of staff to be hired shall be effected on the basis of the correspondence between the candidate profile and his/her specific expertise with that being sought and with the needs of the company as determined by the application put forward by the petitioning function and, always, in observance of the principle of equal opportunity for all interested subjects.

Information solicited shall be strictly related to the investigation of the aspects foreseen for the professional and psychological attitude profile, while respecting the candidate's private life and opinions.

PRINCIPLE 14: Staff evaluation

The Company is committed to ensure that, within its corporate organization, the staff's pre-established annual objectives, both general and individual, are such as not to lead to unlawful behavior, and are instead focused on possible, specific, concrete, measurable targets that are appropriate for the amount of time programmed for their attainment.

PRINCIPLE 15: Diligence and accuracy

The Company ensures that the staff fulfil their duties with the necessary diligence and accuracy, in compliance with the instructions given by their hierarchical superiors and/or supervisors and, in general, with the company quality standards.

PRINCIPLE 16: Fairness and equality

The Company intends to develop a company spirit of belonging and condemns any type of discrimination and/or abuse, both in internal and external relations.

PRINCIPLE 17: Professionalism

The subjects operating within the Company, or those to whom the Company assigns the performance of specific services, shall meet the requirements of competence, professionalism and experience.

With specific reference to its own staff, the Company constantly oversees training, refreshers and professional growth.

PRINCIPLE 18: Foreign staff

In compliance with the provisions of law on the matter, the Company commits not to establish any work relationship with subjects lacking a permit to stay and not to carry out any activities that would favor the entry of illegal immigrants into Italy; with respect to staff employed by suppliers or outsourcers, in contracts entered into with the latter the Company requires the inclusion of provisions setting forth the observance of the applicable laws on the matter.

**PRINCIPLES AND RULES OF CONDUCT IN RELATIONS WITH THE PUBLIC
ADMINISTRATION**

PRINCIPLE 19: Respect for impartiality and correct performance of the P.A.

The conduct of the Company, company bodies and their members, employees, as well as – in observance of specific contractual provisions - consultants and collaborators, agents, proxies and in general third parties acting on behalf of the Company in relations with the Italian or foreign Public Administration shall be guided by and conform to compliance with the impartiality and correct performance to which the Public Administration is bound.

Contacts with the Italian or foreign Public Administration are restricted to persons specifically and formally assigned by the Company to deal with and have contact with such administrations, public functionaries, bodies, and organizations and/or institutions and are managed in accordance with the corporate procedures and the provisions of the Model.

All notices/documents sent to the Public Administration will contain truthful, clear and verifiable information.

PRINCIPLE 20: Bribes, offers or promises of money, gifts and other benefits

The Company condemns any behavior performed by company bodies and their members or by employees of the Company, or by third party subjects (consultants, collaborators, agents, proxies and third parties) acting on behalf of the Company, consisting in giving, promising or offering, directly or

indirectly, money, services, work, or other benefits to Public Officials and/or Civil Servants, both Italian and foreign, except in the case of gifts and other benefits of modest value and in any case in keeping with legitimate customs, traditions and activities, from which the Company may obtain an undue or unlawful interest or advantage.

PRINCIPLE 21: Influencing Public Administration decisions

Those assigned by the Company to follow any business dealings, applications or relations with the national and supranational Authorities , must not for any reason seek to unlawfully influence the decisions of Public Officials or Civil Servants who they deal with and who make decisions on behalf of the national and supranational Authorities.

In the course of business dealings, applications or commercial relations with Italian and/or foreign Public Officials or Civil Servants, the following actions may not be undertaken, either directly or indirectly:

- offer in any way work or commercial opportunities that can benefit the Public Officials and/or Civil Servants personally or through a third party;
- give, promise or offer in any way money or other benefits, and accept requests for personal or others favors, except in the case of gifts, free offers and other benefits of modest value and in any case within legitimate customs and traditions;
- carry out any other act aimed at inducing Italian or foreign Public Officials to do or fail to do something in violation of the laws of the regulatory system to which they belong.

In its relations with public Authorities (national and supranational), the Company collaborates with consultants or other third parties of high

standing and guarantees that such parties possess suitable reputational requirements.

Contracts with consultants, attorneys, and third parties in general acting on behalf of the Company in connection with its relations with any Authority (national or supranational), include specific provisions requiring a conduct in line with the aforesaid principle and exclude any possibility of influencing the public agent in relation to the performance of acts in accordance with or contrary to its official activities and including specific reporting obligations related to the performed meetings with Public Authorities, in order to allow a timely and effective tracking and control.

The Company shall conduct training courses for these types of counterparties in order to make them aware of the importance of acting in compliance with anti-corruption regulations and of the consequences attributable to the Company in the event of their violation and in relation to the reporting of improper acts of which that may they have knowledge (the so-called *whistleblowing*).

PRINCIPLE 22: Work relations with the P.A.

It is forbidden to maintain work relations with ex-personnel of the P.A., Italian or foreign, that, owing to their institutional functions, participate or have participated personally and actively in business dealings or endorsed applications made by the Company to the P.A., Italian or foreign, unless those relations have been declared in advance to the Human Resources Department in an appropriate manner and evaluated by the Supervisory Board before the possible assumption of the job.

PRINCIPLE 23: Applications to the P.A. for funding and grants

The Company condemns any and all conduct aimed at obtaining, from the State, European Union or other government body, any type of grant, funding, facilitated loan or other disbursements of the same type, by means of altered or falsified statements and/or documents, or the omission of necessary information or, more in general, by means of artifice or deception, including that effected by means of information or computerized systems, aimed at leading the grantee institution into error.

PRINCIPLE 24: Management of P.A. funding and grants

The Company guarantees observance of the restriction on the destination of grants, subsidies or funds targeted to supporting initiatives to realize works or activities of public interest, obtained from the State or from other public bodies or from the European Union, even when of modest value and/or amount.

PRINCIPLE 25: Conflict of interest with the P.A.

The Company may not be represented in its relations with the Public Administration, Italian or foreign, by subjects for whom a conflict of interest position has been established, unless that situation has been preliminarily evaluated in an appropriate manner by the Supervisory Board.

PRINCIPLE 26: Dealings with the Italian Authorities' Criminal Investigation Departments

The Company actively collaborates with the Italian authorities' criminal investigations departments, the police force and any public official within the scope of inspections, controls, investigations or legal proceedings.

It is expressly prohibited to give, promise or offer gifts, money or other benefits to these legal authorities or to the persons who materially carry out the above-mentioned inspections and controls in order to reduce their objective judgement in the interest of the Company.

It is prohibited to put pressure of any type on the person called to issue statements before the Italian Authorities' Criminal Investigation Departments, in order to induce such person not to issue statements or to issue untruthful statements.

It is prohibited to aid any person who has effected criminally significant conduct to evade investigations by the authorities or to escape from the authorities' search.

PRINCIPLE 27: Management of information systems

The Company condemns any conduct involving alteration of the functioning of an information or computerized system or unlawful access to data, information or programs contained therein, aimed at procuring a wrongful profit for the Company at the expense of the State.

PRINCIPLE 28: Dealings with research institutes, universities and public hospitals

Dealings with research institutes, universities and public hospitals must be handled so as to avoid the offering of gifts and other benefits that could influence the objectivity of judgment and the independence of the subjects who organize and/or attend events in collaboration with the Company or subjects who perform activities related to study and research on behalf of the Company.

**PRINCIPLES RELATED TO BREACHES OF THE LAW BY THE COMPANY AND
MARKET ABUSE**

PRINCIPLE 29: General Principles

The Company condemns any behavior performed by any person aimed at aiding, encouraging, facilitating or inducing Company Directors to violate one or more of the principles indicated below.

PRINCIPLE 30: Management of company data and accounting, asset or financial information

The Company condemns any behavior performed by any person aimed at altering the accuracy and truthfulness of the data and information contained in balances, reports or other company communications foreseen by law, addressed to shareholders, the public or the auditing firm.

1. All subjects assigned to draw up the above-mentioned acts are required to verify, with due diligence, the accuracy of the data and information that will then be adopted for the drafting of the acts mentioned above;
2. All balance items, whose determination and quantification entail discretionary valuations by the relevant Departments, must be supported by legitimate choices and by appropriate documentation.

PRINCIPLE 31: Relations with the Company's control bodies

The Company requires all staff to act with correct and transparent conduct in the performance of their tasks, especially in relation to any application put forward by shareholders, the control body, other company bodies or the auditing firm in the exercise of their respective institutional functions.

PRINCIPLE 32: Safeguarding Company assets

Any behavior aimed at causing damage to the integrity of corporate assets is strictly forbidden.

PRINCIPLE 33: Safeguarding Company creditors

Any behavior tending to reduce share capital or towards merger with other companies or splitting for the purpose of causing damage to creditors is strictly forbidden.

PRINCIPLE 34: Influencing the Company Meeting

Any simulated or fraudulent act aimed at influencing the position of the members of the Company meeting in order to achieve the irregular formation of a majority and/or a different decision than what would have otherwise been taken is strictly forbidden.

PRINCIPLE 35: Diffusion of false, misleading and price-sensitive information

Diffusion of false information, in or outside of the Company, concerning the Company, its employees, collaborators or third parties operating on its behalf, is strictly forbidden.

The Addressees ensure the strict confidentiality of news and information regarding the corporate assets or relating to the Company's activity, in the full respect of the applicable provisions of law, of the regulations, of this Code and of the internal procedures.

It is also prohibited for the Addressees to purchase or sell Philip Morris International's securities (either directly or through third parties), in the event that the subject concerned is aware of price-sensitive information regarding the latter or the Company, and which has not been disclosed to the public, thus benefiting from the advantage in terms of knowledge given by their position; similarly, it is prohibited to disclose the aforesaid information to third parties, for the purpose of enabling such party to purchase or sale securities on the basis of it.

PRINCIPLE 36: Relations with Government Supervisory Authorities

On the occasion of controls and inspections by competent government authorities, company bodies and their members, company employees, as well as – in observance of specific contractual provisions - consultants, collaborators, agents, proxies and third parties acting on behalf of the Company, shall collaborate with the inspection and control authorities, in keeping with the corporate procedures in force on the matter.

PRINCIPLE 37: Conflict of interest

The Company wants the full respect of the provisions of law and regulations governing the conflict of interest.

The Addressees must follow the corporate targets and general interests while performing their activity, in the full respect of the provisions of law and of this Code.

1. The Addressees must as timely as possible inform their superiors or supervisors of any situation or activity in which they may have a conflict of interest with the Company (or should such interests regard one of their family's members) and in any other case of economic relevance. The Addressees must respect the corporate decisions on the matter and must not in any case perform operations in conflict of interests.
2. The director having any kind of own or third party's interest in a given corporate transaction, on which he/she has to decide, must give immediate notice to the other directors and to the control body. He/she must describe the nature, the terms, the origin and the scope of the interest itself: the Board of Directors will then evaluate the conflict with the corporate interests.

PRINCIPLE 38: Giving, offers or promises of money, gifts and other benefits to the benefit of privates

The Company condemns any behavior performed by company bodies and their members or by employees of the Company, or by third party subjects (consultants, collaborators, agents, attorneys and third parties) acting on behalf of the Company, consisting in giving, promising or offering, directly or indirectly, also through intermediaries, money, services, work, or other benefits to subjects with whom it has or intends to have business relations (or linked to the Company's business) – except in the case of gifts and other benefits of modest value and in any case in keeping with legitimate customs, traditions and activities, from which the Company may obtain an undue or unlawful interest or advantage.

PRINCIPLE 39: Influencing decisions in connection with settlement agreements

Those entrusted by the Company with the task of dealing with settlement agreements must not for any reason seek to unlawfully influence the decisions of those who they deal with and who make decisions on behalf of the counterparty during the pre-litigation phase.

In the course of the aforesaid dealings, the following actions may not be undertaken, either directly or indirectly:

- offer in any way work and/or commercial opportunities that can benefit the aforesaid subjects personally or through a third party;
- give, promise or offer in any way money or other benefits;
- carry out any other act aimed at unlawfully influencing decisions made during negotiations in the interest of the Company.

PRINCIPLE 40: Relations with the media and opinion leaders

Unless expressly authorized, the company bodies and their members, as well as the Company's employees will not express opinions, make representations or provide information to the media on behalf of the Company outside the channels and modalities agreed.

The organization of company events devoted to the media is regulated as well as the management, also through intermediaries, of the relationships with opinion leaders so as to avoid the offer of gifts or forms of entertainment that may influence the impartiality and independence of participating media.

PRINCIPLE 41: Relations with Certification Bodies

Relations with the representatives of certification bodies must be handled exclusively by those duly authorized to represent the Company, and restricted to the exchange of information required – on the basis of contractual provisions agreed – in order to fulfil their tasks, avoiding any conduct that might be apt to influence their independence.

PRINCIPLE 42: Dealings with research institutes, universities and private hospitals

Dealings with research institutes, universities and private hospitals must be handled so as to avoid the offering of gifts and other benefits that could influence the objectivity of judgment and the independence of the subjects who organize and/or attend events in collaboration with the Company or subjects who perform activities related to study and research on behalf of the Company.

PRINCIPLES RELATING TO THE MANAGEMENT OF EXTERNAL RELATIONS

PRINCIPLE 43: Relations with customers

A leading company objective is to increase the level of satisfaction and enjoyment of its services/products, increasing its sensitivity to customers' needs, including potential needs, and providing customers with truthful, accurate complete and correct information.

These relations are managed according to the principles of the utmost collaboration, professional availability and transparency, in compliance with confidentiality and the protection of privacy, in order to build the foundation for a sound, lasting relationship of reciprocal trust.

The Company pursues the objective of fully meeting the end user's expectations and expects that its customers will always be treated in a correct, honest manner. Therefore, it requires that all relations and contacts of its employees and other Addressees with customers be based on honesty and correct professional conduct.

PRINCIPLE 44: Relations with consultants and outsourcers

The choice of consultants, collaborators and any outsourcers is based on a careful technical-economic assessment that considers the following parameters: analysis of the products, offer, cost-effectiveness, technical and professional suitability, competence and reliability.

The products and/or services provided must, in any event, be compliance and justified by concrete company needs.

When ongoing relationships exist, the Company carries out relations committed to the principles of good faith and transparency, as well as respect of the values of fairness, impartiality, trust and equal opportunity.

Prior to paying the related invoices, the Company verifies the effectiveness, quality, consistency and timeliness of the performance received and the fulfilment of all obligations undertaken by the counterparty.

In order to protect its image and safeguard its resources, the Company does not enter into any type of relationship with parties that do not intend to operate in the utmost compliance with provisions of law in force, or who refuse to comply with the values and principles at the basis of this Code, including in the contracts entered into with them provisions requiring a conduct in line with said principles.

If the Company needs to make use of professional services of employees of the Public Administration, in the role of consultants, the current provisions of law in force must be respected.

PRINCIPLE 45: Relations with Competitors

The Company bases its relations with competitors on the accurate compliance with the law, market rules and the principles underlying fair competition, preventing any type of possibly illicit or collusive agreement or conduct.

The collection of information on competition must comply with privacy laws and shall exclude all types of pressure on employees or former employees, on competitors' customers or suppliers.

Each member of the Company must abstain from providing the competition with information concerning the company's market of interest, products under development, sales and marketing plans and, in general, any type of information that could reduce or prejudice the company's competitive advantage.

PRINCIPLE 46: Trade Unions

The Company oversees relations with the Trade Unions in order to guarantee participatory dialogue for the purpose of managing labor resources.

PRINCIPLE 47: Racketeering

The Company rejects all types of racketeering or illegal association, either domestic or foreign, for the purpose of committing offences or conduct that is against the law and sector regulations.

PRINCIPLES RELATING TO CONSUMER PROTECTION

PRINCIPLE 48: Rights of the consumer

In full compliance with sector regulations, the Company is committed not to advertise its products to consumers.

It recognises and guarantees the individual and collective rights and interests of consumers and users, also through a suitable information policy regarding its product.

Moreover, the Company bases the exercise of its commercial practices on the principles of good faith, correctness and trust, and on consumer education, correctness and transparency and fairness in contractual relations according to standards of quality and efficiency.

PRINCIPLE 49: Product warranties

The Company guarantees the absolute selection of the tobacco and products used, in compliance with all the provisions of law and the related sector regulations, including in the contracts entered into with producers, among others, provisions requiring compliance with the aforesaid law.

The Company adopts measures that are suitable to the characteristics of the product provided.

PRINCIPLES RELATING TO THE MANAGEMENT OF COMPUTER ACTIVITY

PRINCIPLE 50: Management of documents and computer systems

It is prohibited to falsify public or private computerized documents, in form and content. Any type of use of false computerized documents is also prohibited, as well as the cancellation, destruction or hiding of real documents.

“Computer document” is intended as any computerized representation of legally significant events, facts or data.

It is prohibited to illegally access a computer or electronic system protected by security measures or to operate within such system against the express or tacit will of the system’s owner.

It is prohibited to illegally obtain, reproduce, disseminate, deliver or communicate codes, key words or other means suitable to access a protected computer or electronic system, or even only to provide indications or instructions suitable for such purpose.

It is prohibited to obtain, produce, disseminate, deliver or, in any event, make available to the Company or to third parties equipment, devices or programs suitable to damage others’ computer or electronic systems, the information contained therein or to alter the functioning of such systems in any way.

It is prohibited to intercept, impede or interrupt communications relating to one or more computer or electronic systems. It is also prohibited to reveal, in any way, even partially, the contents of the information intercepted to third parties. It is also prohibited to install equipment for the purpose of impeding, intercepting or interrupting the above communications.

It is prohibited to destroy, wear down, cancel, alter or suppress computer or electronic systems, the information, data or programs contained therein, which are private property or used by the State, by another public entity or pertaining thereto, or, in any event, used by the public.

Any use of software without user license or the SIAE (Italian Authors' and Publishers' Society) mark, which is not compliant with copyright and author's rights laws is forbidden.

PRINCIPLES RELATING TO THE PROTECTION OF BRANDS AND PATENTS

PRINCIPLE 51: Management of activities relating to the use of brands and patents

It is forbidden to counterfeit or alter Italian or foreign brands or trademarks of industrial products, or to alter or use such counterfeit or altered brands or trademarks. It is forbidden to alter Italian or foreign patents, industrial plans or models or to use such counterfeit or altered patents, plans or models.

It is forbidden to introduce into the country, in order to profit from them, industrial products with counterfeit or altered Italian or foreign brands or other trademarks.

It is forbidden to hold for sale, put on sale or to otherwise put into circulation, in order to profit from them, the products as set out in the point above.

It is forbidden to reproduce, transcribe, disseminate, sell or put on sale or otherwise market another person's work or reveal its contents before it has been made public, or introduce and put into circulation models produced abroad in violation of Italian laws.

PRINCIPLES RELATING TO THE PROTECTION OF AUTHORS' RIGHTS

PRINCIPLE 52: Management of activities relating to works or media protected by authors' rights law.

The illegal dissemination to the public, through computerized networks or through connection of any type, of protected original work, or part thereof, is prohibited.

When performed for profit, reproduction on media without the SIAE mark, transfer to other media, distribution, communication, presentation or demonstration to the public of the contents of a database in breach of the exclusive right of execution and authorization from the author is prohibited. It is also prohibited to extract, reuse, distribute, sell or lease a database in breach of the rights of the creator or the user.

Illegal duplication, reproduction, transmission or dissemination in public of an original work destined for television or cinema broadcast, sale or rental, disks, tapes, or similar media containing audio or video of music, cinematic works, or similar audiovisual works or moving images is prohibited.

Illegal reproduction, transmission or dissemination in public of literary, dramatic, scientific, educational, musical or dramatic-musical works, including multimedia works, or parts of the same is prohibited, even if such works are included in collective or composite works or databases.

It is prohibited to sell, distribute, place on the market or transfer for any reason, show, transmit or broadcast in public illegally the works set forth in the previous points.

The activities set forth in the previous point are prohibited when they regard any audio or video media without the S.I.A.E. mark or with a counterfeit or altered S.I.A.E. mark, in the cases where the affixing of the mark is required by law.

Unless an agreement is in place with the distributor, the transmission or dissemination, using any means, of an encrypted service received using equipment or part of equipment for the decryption of transmissions with limited access is prohibited.

In the event of production or importing of media which is not subject to the marking pursuant to art. 181 *bis* of the law on authors' rights, it is required to communicate to the S.I.A.E. the data required for the unequivocal identification of said media, within the terms provided by the law.

Should the Company have recourse to outsourcers, suppliers or consultants for the performance of activities potentially relevant in connection with the risk of violating any author's rights, the contracts entered into with said third parties must contain provisions requiring the observance of applicable laws on said matter.

**PRINCIPLES RELATED TO ANTI-MONEY LAUNDERING AND SELF-
LAUNDERING RISKS**

PRINCIPLE 53: Anti-money laundering

The Company condemns any possible conduct, both of top and subordinate subjects, aimed at, even indirectly, facilitating offences such as receiving, laundering and use of money, goods or any other utility of unlawful origin; in this regard the Company is committed to implement all the requested preventive and subsequent control activities necessary to achieve that goal, regulating also relations with third parties by means of contractual provisions requiring the observance of the applicable laws on the matter.

PRINCIPLE 54: Self-laundering

The Company condemns any behavior of its executives or employees seeking to procure financial assets or cost savings to the Company through conducts bearing criminal offenses. The concept of criminal offense comprises any intentional offense set forth by law which generates a profit, a product or income of any kind, although not included within the offenses provided for by Legislative Decree no. 231/2001.

Employees, senior management of the Company, consultants and third parties acting on behalf of the Company - by virtue of specific contractual clauses - are prohibited from engaging in transactions aimed at concealing or, in any case, at not allowing the identification of the origin of the financial resources or assets held by the Company.

PRINCIPLE 55: Management of financial flows

Any transfer of cash on current accounts held by the Company has to bear an underlying economic motivation. To this end, the Company has equipped itself with procedures that require, for each transfer, the indication of a description, and prevent receipt (or activate specific checks) in the case of absence or vagueness of the description.

PRINCIPLES RELATING TO ACCOUNTING AND MANAGEMENT OF FISCAL OBLIGATIONS

PRINCIPLE 56: Keeping of accounts, preparation of financial statements and preservation of accounting records relevant for tax purposes

Company employees are expressly prohibited from issuing invoices or other documents for transactions that do not exist in whole or in part.

Employees are obliged to keep the accounting records and other documents that must be kept for tax purposes in a correct and orderly manner, preparing physical and/or computerized defenses that prevent any acts of destruction and/or concealment.

PRINCIPLE 57: Preparation of tax returns and management of related tax obligations

The Company employs tax consultants of primary standing.

The Company guarantees the implementation of the principle of segregation of roles in relation to the management of the company's accounts and in the subsequent transposition in the tax declarations with reference, for example, to:

- control of the effectiveness of the services with respect to the invoices issued (including through audits by the Internal Controls function and, regularly, by the parent company);
- control over the correspondence not only of the amounts indicated in the invoices or
- in the other relevant documents with the actual value of the good/service purchased and the amount of the related payment, but also the persons

indicated in the invoices or other relevant documents and the actual owners of the relationship described in them;

- verification of the truthfulness of the statements with respect to the accounting records;
- verification of the correspondence between the certificates issued in the capacity of substitute tax, or otherwise due, and the actual payment of withholding tax.

When preparing annual income and value added tax returns, the Company ensures that employees, within the scope of their respective responsibilities:

- do not indicate fictitious taxable items using invoices or other documents with evidence similar to invoices, for non-existent transactions;
- do not indicate assets for an amount lower than the actual amount or fictitious liabilities (e.g. costs fictitiously incurred and/or revenues less than the actual amount indicated), using a false representation in the mandatory accounting records and using suitable means to hinder the assessment;
- do not unnecessarily delay the time limits laid down in the legislation applicable for their presentation as well as for the subsequent payment of the resulting taxes.

In relation to the payments of the due amounts of taxes or duties, the Company ensures that:

- the reconciliation process of the relevant data for the tax purpose shall be conducted in accordance with the standard adopted by the Company;
- the principle of segregation shall operate between the following roles: (i) subjects operating controls on F24 models; (ii) subjects calculating the liquidation value; (iii) subjects sending to the Tax Administration the F24 models;

- only effectively due and existing payables shall be used for compensation;

With reference to the payment of sums due as taxes or contributions, the Company ensures that:

- the reconciliation process of data which are relevant for tax purposes is carried out in compliance with the standards adopted by the Company;
- segregation of duties is granted with regard to (i) parties responsible for the various controls on F24 models; (ii) parties responsible for settlement calculations; (iii) parties responsible for sending the F24 models to the tax authorities;
- only existing and actually due account receivables are used for offsetting.

PRINCIPLE 58: Management of tax risks and international ruling procedures

The Company adopts an adequate internal control system for the management of tax risk, which is characterized by a preventive approach to risk. To this end, the Company:

- a) identify an internal figure within the company who holds the position of Tax Manager whose activity is part and parcel of the overall system of internal controls. The powers and reporting obligations of the Tax Manager must be adequately explained in the corporate function chart;
- b) identify in advance and analyze the possible risks of a fiscal nature connected to the company's activities, defining the levels of priority;
- c) on the basis of the analysis carried out, prepares a system of controls for the assessment and monitoring of the risks identified;

d) guarantees the training of the Functions concerned by the various tax risks in the various territorial areas and education on legality as a fundamental element of professional ethics and a prerequisite for the healthy economic growth of the Group.

The Company's objective is to resolve and prevent tax risks associated with its international operations through continuous collaboration with the Tax Authority and the conclusion of international ruling agreements. The Company undertakes to guarantee the effectiveness and preventive efficacy of ruling agreements through:

- a correct initial assessment of the risks related to its operations and the advisability of defining a ruling agreement;
- the correct transmission of information and data requested by the public authorities during the assessment phase. To this end, it provides for an adequate system of controls and (possibly) sanctions for employees in the event of violation of the obligation to communicate the information due to them, also with reference to the activities carried out by other outsourced group companies;
- maximum collaboration in the implementation of the agreements by all the Functions involved;
- the provision of a specific and constant flow of information directed to the Tax Manager by the Functions involved in the relevant activities identified by the ruling;
- the establishment of a system of controls relating to the effective implementation of the provisions of each ruling and the obligation of the Functions concerned to report any anomaly in relation to implementation.

In any case, with regards to the management of intra-group accounting and invoicing, the Company undertakes to:

- ensure that the services rendered between the companies belonging to its Group are contractually regulated in writing and rendered at market conditions;
- guarantee in the management of intra-group relations the respect of the principle of segregation of duties and the involvement of different subjects in the performance of the main activities envisaged (definition of the intercompany contract, invoicing, payment, archiving of documentation);
- guaranteeing the traceability of flows and the identification of the parties that feed the transmission of the accounting and financial data necessary for the preparation of the accounting records.

PRINCIPLE 59: Management of relations with the Tax Administration (in particular, the National Revenue Agency)

The Company is committed to ensuring maximum collaboration and transparency in its relations with the tax authorities.

In particular, the Company undertakes to ensure that:

- any communication of information/data/news to the National Revenues Agency is carried out in a correct and exhaustive manner;
- no action is taken to prejudice in any way the reasons of the Treasury (also in relation to the satisfaction of any tax payments or interest or administrative sanctions related to such taxes).

**PRINCIPLES RELATED TO THE MANAGEMENT OF ACTIVITIES HAVING AN
IMPACT ON THE HEALTH AND SAFETY OF WORKERS**

PRINCIPLE 60: Health and safety on the workplace

With reference to the applicable provisions for health and safety on the workplace, the Company is committed to adopt all the necessary measures, in order to protect its workers' physical and moral integrity.

In particular the Company ensures:

- that the respect of the provisions of law governing the safety, hygiene and health of workers on the workplace is a priority;
- that the risks for workers, as far as possible and allowed by the best techniques' evolution, are prevented also by choosing the most adequate and safe materials and equipment, in order to reduce the risk at the source;
- that the non-avoidable risks are correctly evaluated and adequately limited by the appropriate individual and collective safety measures;
- that the information and training of workers is widespread, up to date and specific with reference to activity performed;
- that the workers are heard on matters regarding health and safety on the workplace;

- that any necessity or non-compliance, emerged during the working activity or during inspections, is timely and effectively dealt with;
- that the organization of the working activity and the operative aspects of the same are structured in order to protect the integrity of workers, third parties and the community within which the Company operates.

In order to achieve the above results, the Company assigns organizational, instrumental and economic resources both to guarantee the full compliance with the current provisions of law on industrial accidents prevention and to continuously improve the health and safety of workers on the work place and the relevant preventive measures.

The employees, each according to the role within the organization, must ensure the full respect of the provisions of law, of the principles contained in this Code, of the corporate procedures and of any other internal regulation aimed at protecting the safety, hygiene and health of workers on the work place.

PRINCIPLES RELATING TO THE MANAGEMENT OF ACTIVITIES WITH AN ENVIRONMENTAL IMPACT

PRINCIPLE 61: Protection of the environment

In its business, the Company follows the principle of safeguarding the environment.

The Company contributes to dissemination and awareness-raising on the issue of environmental protection and manages the activities that are entrusted to it, in compliance with the Italian and EU law in force, also in relation to the provisions on waste disposal in accordance with the classification envisaged by article 184 of Legislative Decree 152/2006.

The Company agrees to promote scientific and technological development aimed at protecting the environment and safeguarding resources through the adoption in operations of advanced systems for safeguarding the environment and energy efficiency.

The Company works to meet the expectations of its customers in relation to environmental issues and adopts all appropriate instruments for protection and preservation, and condemns any form of damage and harm to the eco-system.

The Company agrees to implement – within the period set forth by law – what is envisaged and required by the Italian Waste Control and Traceability System (SISTRI) to which it has adhered.

In the agreements entered into with third parties – either suppliers or members of the Philip Morris Group – from which the Company's liability under environmental law concerning waste management and disposal might derive, the Company includes clauses imposing to such third parties the compliance with applicable law and provides for contractual sanctions in the event of violation.

PRINCIPLES TO PROTECT AGAINST THE RISK OF SMUGGLING

PRINCIPLE 62: Prohibition of smuggling practices

The Company undertakes to comply with current legislation on monopoly and smuggling repression, adopting measures to ensure compliance with the relevant provisions.

Under no circumstances is it permitted:

- the introduction into the territory of the State of foreign goods in violation of the prescriptions, prohibitions and limitations provided for by current legislation;
- transport goods into the territory of the State without the prescribed documentation;
- introducing foreign goods into the territory of the State in place of national or nationalized goods shipped in cabotage or in circulation;
- to set up unauthorized warehouses of foreign goods subject to border rights, or to set them up to a greater extent than permitted;
- to remove goods from customs areas without having paid the duties due or without ensuring payment or without carrying out the prescribed customs operations;
- to assign foreign goods, which have been imported duty-free and/or with a reduction of border duties, to a destination or use other than that for which the relief or reduction was granted;
- subject the goods, in temporary import or export operations or in re-export and reimport operations, to artificial handling.

The Company makes its employees, collaborators and all those who work in its name or on its behalf aware of issues relating to compliance with the prescriptions, prohibitions and limitations provided for by the aforementioned regulations.

PRINCIPLE 63: Activities aimed at preventing the risk of smuggling

The Company guarantees that the parties responsible for relations with the customs authorities are identified in advance.

The circulation of tobacco products takes place exclusively through the E.M.C.S. (Excise Movement Control System).

The responsibilities linked to the circulation of products are expressly regulated at contractual level with suppliers and customers.

Control over suppliers and customers is guaranteed through the application of specific procedures.

The Company, where requested, offers the maximum cooperation to the Law Enforcement Agencies in the implementation of measures aimed at preventing and combating smuggling in Italy. The conduct of said relations is based on absolute transparency and maximum traceability.

PRINCIPLE 642: Prohibition of smuggling activities

The Company ensures to follow the applicable law on monopoly and prohibition of smuggling activities, adopting provisions in accordance with the applicable law on the matter.

It is forbidden:

- the introduction in the territory of the State of foreign goods, in violation of the provisions, prohibitions and limitations envisaged in the applicable law;
- the transportation of foreign goods in the territory of the State without the required documents;
- the introduction in the territory of the State of foreign goods in order to replace national or nationalized goods, shipped or delivered;
- the establishment of a not allowed storage of foreign goods or goods under border law or the establishment beyond the number permitted;
- the removal of goods from the customs area without the payments of the fees or without the guarantee of the payment or without the fulfilment of the required custom operations;
- the assignment of foreign goods, duty free imported or with a reduced fee, to a use different from the one prescribed;
- the manipulation of the goods in the operations of import, temporary export or reimport or re-export.

The company invites the employees, collaborators, and everyone that acts in the name and on behalf of the Company to respect the abovementioned provisions, prohibitions, and limitation envisaged by the applicable law.

PRINCIPLE 65: Activities in order to prevent the smuggling risk

The Company ensures that the subjects that interact with the Custom Authority shall be previously identified.

The movement of tobacco products shall be conducted exclusively through E.M.C.S system. (*Excise Movement Control System*).

The legal liabilities related to the movement of products are expressly regulated by contracts between suppliers and clients.

The control on suppliers and clients shall be guaranteed by the application of specific procedures.

The Company, if required, collaborates with the Authorities in relation to their activity of implementation of the measures in order to prevent and oppose the smuggling risk in Italy. The abovementioned relationships shall be conducted with transparency and traceability.

OTHER PRINCIPLES APPLICABLE WITH RESPECT TO DECREE 231

PRINCIPLE 66: Activities aimed at terrorism and subversion of the democratic order

The Company condemns the use of its resources for the financing or execution of any activity aimed at reaching objectives associated with terrorism or subversion of the democratic order and the financing of terrorism.

PRINCIPLE 67: Safeguarding private individuals

The Company condemns any possible behavior aimed at the commission of crimes against private individuals, regulating also relations with suppliers or outsourcers by means of contractual provisions requiring the observance of the applicable laws on the matter.

PRINCIPLE 68: Use of money, public credit cards and revenue stamps

The Company, in order to ensure a correct and transparent business conduct, wants the Addressees to respect the provisions of law on the use and circulation of money, public credit cards and revenue stamps, and therefore shall severely sanction any conduct aimed at the unlawful use or counterfeiting of money, credit cards or revenue stamps.

PRINCIPLE 69: Transnational offences

The Company condemns any possible conduct, both of top and subordinate subjects, aimed at, even indirectly, facilitating offences such as partnership in

crime, including transnational conduct, and this also comprises that for foreign tobacco smuggling, and obstruction of justice; in this regard the Company is committed to implement all the requested preventive and subsequent control activities necessary to achieve that goal.

CONTROL BODIES AND MECHANISMS

THE BOARD OF DIRECTORS

The administrative body carries out its duties with professionalism, autonomy, independence and responsibility in relation to the Company, the shareholders, company creditors and third parties.

The Directors must not impede or obstruct the exercise of the control activities by the bodies in charge of such activities.

Directors are required to avoid situations where conflicts of interest may arise, and abstain from gaining personal advantage from opportunities linked to the performance of their duties.

In this regard, therefore, the directors must comply with legal obligations. The Director having a conflict of interest with that of the Company, on his own behalf or on behalf of third parties, in a given transaction must give notice to the other directors and to the Supervisory Body, describing the nature, the terms, the origin and scope of the interest.

The Board of Directors is committed to ensuring that the values set forth in this Code are respected, promoting the sharing and dissemination of such values, also to third parties, as well as the indications of conduct as per the Organizational, Management and Control Model implemented by the Company.

CONTROL BODY

The Control Body formally appointed fulfils its duties with impartiality, autonomy and independence, in order to guarantee effective control.

The Control Body also oversees informing and dialoguing with the various internal and external company bodies.

The Control Body is ensured free access to the data, documentation and information necessary to carry out its assignment.

THE SUPERVISORY BOARD

The Supervisory Board is appointed to control and update the Organizational and Management Model and this Code.

- 1) In the exercise of its functions, the Supervisory Board shall have free access to all corporate data and information useful to the performance of its activities.
- 2) The company bodies and their members, employees, consultants and collaborators, agents, proxies and third parties acting on behalf of the Company, are required to collaborate fully to assist in the performance of the Board's functions.

SANCTIONS

Failure to comply with the principles contained in this Code can lead to the application of the penalties contained in the corporate Disciplinary System, within the limits and on the basis of the specific modalities foreseen therein.

THE CODE WITHIN THE COMPANY

AWARENESS

This Code shall be brought to the awareness of the company bodies and their members and of the employees, as well as consultants and collaborators, agents, proxies and any other third party subject that may have relations with the Public Administration on behalf of the Company. All the above-cited subjects are required to learn its contents and observe its precepts.

Any questions about the application of this Code shall be promptly presented to and discussed with the Supervisory Board.

The Code takes effect from the date of its approval by the Company Board of Directors. Said date is reported in the copies to be disseminated.

This Code is shared within the Company through the publication in a dedicated section of the Company's website. Other than the Code, employees can always consult and print the Model and its related annexes.

The Body carries out a suitable training program and continuous awareness raising on the problems relating to the Code with employees.

INTERNAL REPORTING

Whoever becomes aware of violations of the principles of this Code and/or of the operational procedures that comprise the Model or of other events capable of altering their value and effectiveness is required to report said violations to the Supervisory Board, at the following e-mail address: organismodivigilanza.pmitalia@pmi.com, or by any other communications means provided for by the Compliance system adopted by Philip Morris

International and its operations, which, however, shall timely notify the Supervisory Board.

CONFLICT WITH THE CODE

In the case where even a single provision of this Code should conflict with the provisions foreseen by the internal rules or procedures, the Code shall take precedence over any of the latter provisions, except if such provisions are more restrictive than what provided for in this Code.

CHANGES TO THE CODE

Any change and/or addition to this Code must be effected according to the same modalities adopted for its initial approval.

GLOSSARY

“The Decree”:

Legislative Decree no. 231 of 8 June 2001, bearing the *Rules and regulations concerning the administrative liability of juridical persons, companies and association, including those not incorporated, in accordance with Art. 11 of Law no. 300 of 29 September 2000.*

“The Organization and Management Model” (or also the “Model”)

The set of procedures and instruments adopted by the Company in its corporate organization, reasonably fit to ensure the prevention of offences as described in the Decree.

“The Company”:

Philip Morris Italia S.r.l, with legal offices in Rome – Po 11-13-15, 00198, ROMA

“The Code”:

the Code of Conduct for the purposes of L.D. 231/01;

“P.A.”:

the Public Administration, Public Officials and Civil Servants, Italian and foreign, understood in the broadest sense;

“Public Official”:

a subject who exercises a legislative, judiciary or administrative public function. A public administrative function is one regulated by rules of public law and enabling acts and characterized by the manifestation of the Public Administration’s will through enabling or certificating powers.

“Civil Servant”:

a person who, in any capacity, performs a public service; that is, an activity regulated in the same way as a public function, but without the exercise of enabling or certificating powers;

“Foreign Public Officials”:

any subject who carries out a legislative, judiciary or administrative function on behalf of the country to which he/she belongs or who is considered a “public official” according to the rules of the system to which he/she belongs (e.g. agents and employees of a foreign country, subjects belonging to an international organization);

“Internal disciplinary system”:

a description of the major disciplinary offences, with their relative sanctions.