

**PRIVATE JOINT-STOCK COMPANY "PHILIP MORRIS UKRAINE"**

**NOTICE  
OF THE ORDINARY (ANNUAL) GENERAL MEETING OF SHAREHOLDERS  
OF PRIVATE JOINT-STOCK COMPANY "PHILIP MORRIS UKRAINE"**

**Dear Shareholders,**

PRIVATE JOINT-STOCK COMPANY "PHILIP MORRIS UKRAINE" (identification code of a legal entity – 00383231; located at: 1, Poliovyi vizd, Dokuchaievsk Village, Kharkivskiy District, Kharkiv Region, 62482, Ukraine), hereinafter referred to as the "**Company**", hereby informs you of the General Meeting of Shareholders of the Company to be held on October 27, 2020 at 10:00 a.m. at the location of Kyiv Branch of the Company: 30 Spaska St., hall No. CR PMI UA Kiev Marlboro 4, Kyiv, Ukraine, 04070 (hereinafter also referred to as the "**General Meeting**"). Notice of the General Meeting is provided pursuant to Part 5 of Art. 47 of the Law of Ukraine "On Joint-Stock Companies", due to Company's interests.

Registration of shareholders (shareholders' representative) of the Company for participating in the General Meeting shall be held on October 27, 2020 from 09:45 a.m. to 10:00 a.m. at the place of holding the General Meeting: 30 Spaska St., hall No. CR PMI UA Kiev Marlboro 4, Kyiv, Ukraine, 04070. Registration of shareholders (shareholders' representatives) of the Company for participating in the General Meeting shall be carried out pursuant to the list of shareholders entitled to participate in the General Meeting drawn up as of 12:00 p.m. on October 21, 2020.

**The list of issues put to vote (agenda of the General Meeting):**

1. Election of the Counting Commission of the General Meeting of Shareholders of the Company;
2. Approval of the procedure (rules) for the conduct of the General Meeting of Shareholders of the Company;
3. Making a decision following the results of reviewing the report of the Supervisory Board of the Company for 2019 (review of the report of the Supervisory Board of the Company for 2019 and approval of measures based on the results of its review);
4. Making a decision following the results of reviewing the report of the Directorate of the Company for 2019 (review of the report of the Directorate of the Company for 2019 and approval of measures based on the results of its review);
5. Making a decision following the results of reviewing the report of the Company's Auditor, approval of the report and conclusions of the Company's Auditor for 2019;
6. Reviewing of the conclusions of the external audit and approval of the measures based on the results of its review;
7. Approval of the annual report and annual financial statements of the Company for 2019;
8. Setting the main directions of the Company's activity in 2020;
9. Advance approval of entering into significant transactions by the Company;
10. Distribution of profit and losses of the Company for 2019;
11. Approval of annual dividends for 2019;

**Draft resolutions on the agenda issues:**

Draft resolution on the first agenda issue:

To elect the Counting Commission of the General Meeting consisting of:  
Chairman of the Counting Commission – Mykhailo Viktorovych Samoliak;  
Member of the Counting commission - Olena Ivanivna Talko

Member of the Counting Commission – Oles Vitaliiiovych Matiichuk.

Draft resolution on the second agenda issue:

To approve the procedure (rules) of the General Meeting as follows:

- 1) Time for speeches of reporters on the agenda issues – up to 10 minutes. The time for participants to speak during debates and discussions on agenda issues – up to 3 minutes. The time for answering questions and providing reference information – up to 3 minutes.
- 2) The persons entitled to participate in general meetings in accordance with the current legislation of Ukraine shall have the right to participate in the General Meeting. The General Meeting may be attended by persons entitled to attend general meetings in accordance with the current legislation of Ukraine and persons invited to attend the General Meeting by the Supervisory Board of the Company. Resolutions on permitting or prohibiting other persons to attend the General Meeting shall be made by the Chairman of the General Meeting individually. Company's independent auditor (Audit Company) and Company officials may attend the General Meeting regardless of holding shares of the Company. Only shareholders or their representatives, Company officials, representatives of the executive body, Supervisory Board, Internal Auditor or the representative of the Audit Company and the Accounting Office of the Company, Chairman and Secretary of the General Meeting, and Chairman and Members of the Registration and/or Counting Commission, may take the floor at the General Meeting.
- 3) Voting on the agenda issues of the General Meeting shall be held only using voting ballots (issued to the participants of the General Meeting of Shareholders of the Company for voting) duly certified in accordance with the Charter of the Company.

A voting ballot shall be deemed invalid if: a) it differs from the official sample prepared by the Company; b) it bears no signature (signatures) of the shareholder (shareholder's representative); c) it consists of several sheets that are not numbered; d) the shareholder (shareholder's representative) has not selected any voting option in the ballot or selected more than one voting option for one draft resolution.

Invalid voting ballots shall not be considered for the purpose of vote counting. A voting ballot shall not be considered by the Counting Commission if it is not submitted to the Counting Commission in due time or it contains unauthorized lettering and/or corrections.

4) All other procedures and issues arising during the General Meeting shall comply with the current legislation of Ukraine and/or the Charter of the Company.

Draft resolution on the third agenda issue:

To approve the Report of the Supervisory Board of the Company for 2019. To approve measures proposed by the Supervisory Board of the Company in accordance with the Report of the Supervisory Board of the Company for 2019.

Draft resolution on the fourth agenda issue:

To approve the Report of the Directorate of the Company for 2019. To approve measures proposed by the Directorate of the Company in accordance with the Report of the Directorate of the Company for 2019.

Draft resolution on the fifth agenda issue:

To approve the Report of the Auditor of the Company for 2019. To approve the conclusion of the Auditor of the Company confirming the reliability and completeness of the financial reporting data of the Company for 2019.

Draft resolution on the sixth agenda issue:

To take into consideration the findings of the audit of the annual financial statements of the Company for 2019 conducted by the following Audit Company: Limited Liability Company PricewaterhouseCoopers (Audit) (EDRPOU code: 21603903, location: 01032, Kyiv, 75 Zhylianska St.). To authorize the Directorate of the Company to develop and implement measures taking into account the findings of the external audit.

Draft resolution on the seventh agenda issue:

To approve the annual report of the Company for 2019 and the annual financial statements of the Company for 2019.

Draft resolution on the eight agenda issue:

To approve the main directions of the Company's activity in 2020:

- To continue further increase of the Company's production capacities to increase the volumes of production and sale of tobacco products and other products;
- To continue extending the range of the Company's products.

Draft resolution on the ninth agenda issue:

Guided by Part 3 of Art. 70 of the Law of Ukraine "On Joint-Stock Companies":

1) To consent to the execution (conclusion) by the Company during the period from the date of this General Meeting to April 30, 2021, of significant transactions (including consent to make changes to significant transactions) of the following nature (provided the marginal cost of each such transaction does not exceed UAH 5,000,000,000 (five billion) or the equivalent of this amount in any other currency at the official exchange rate of the National Bank of Ukraine established on the date of this General Meeting, and the marginal aggregate value of all such transactions does not exceed UAH 10,000,000,000 (ten billion) or the equivalent of this amount in any other currency at the official rate of the National Bank of Ukraine established on the date of this General Meeting):

- any agreements and/or other transactions for the Company to receive any credit and/or loans;
- any agreements and/or other transactions regarding the acquisition by the Company of direct production (non-tobacco) materials;
- any agreements and/or other transactions regarding the acquisition by the Company of tobacco materials (including tobacco raw materials);
- any agreements and/or other transactions regarding the acquisition by the Company of any finished products;
- any agreements and/or other transactions regarding the acquisition by the Company of fixed assets, equipment and/or services related to capital investments;
- any agreements and/or other transactions regarding the acquisition by the Company of any other movable and/or immovable property, and/or any works and/or services.

To empower each of the members of the Directorate (who may act individually) within the limits provided by the Charter of the Company and the decisions of the authorized bodies of Company management, to enter into any and all of the above-mentioned agreements and other transactions

2) To consent to the execution (conclusion) of the Company during the period from the date of this General Meeting to April 30, 2021, of significant transactions (including consent to make changes to significant transactions) of the following nature (without limiting the marginal value of each of these transactions, but provided the aggregate marginal value of all such transactions does not exceed UAH 40,000,000,000 (forty billion) or the equivalent in any other currency at the official rate of the National Bank of Ukraine established on the date of this General Meeting):

- any agreements and/or other transactions regarding the sale by the Company of any tobacco product;
- any agreements and/or other transactions entered into by the Company with any companies/individuals in Philip Morris International Inc., including the purchase/sale of tobacco products and services;
- any agreements and/or other transactions entered into with any companies/individuals in Philip Morris International Inc. regarding the acquisition/sale by the Company of any immovable or movable property.

To empower each of the members of the Directorate (who may act individually) within the limits provided by the Charter of the Company and the decisions of the authorized bodies of Company management, to enter into any and all of the above-mentioned agreements and other transactions.

Draft resolution on the tenth agenda issue:

According to economic performance in 2019, the Company's profit should be retained at the disposal of the Company until the General Meeting of Shareholders approves the decision to distribute dividends and/or the decision to approve annual dividend amounts.

Draft resolution on the eleventh agenda issue:

In connection with the decision to retain the profit at the disposal of the Company based on economic performance in 2019 until the General Meeting of Shareholders approves the decision on the distribution dividends and/or the decision to approve annual dividend amounts, to exclude the agenda item "Approval of annual dividend amounts for 2019" from consideration.

The information with draft resolutions on each agenda issues of the General Meeting and other information determined by the legislation are published on the Company's website: <https://www.pmi.com/markets/ukraine/uk>

Shareholders of the Company have the right to review the documents required for adopting resolutions on agenda issues of the General Meeting. Within the period from the date of sending a notice of the General Meeting to the date of holding the General Meeting, Shareholders of the Company may review documents required for adopting resolutions on agenda issues of the General Meeting during business hours on business days via e-mail, subject to restrictions stipulated by the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine Aimed at Preventing the Occurrence and Spread of Coronavirus Disease (COVID-19)", Resolution of the Cabinet of Ministers of Ukraine "On Preventing the Spread in Ukraine of the COVID-19 Acute Respiratory Disease Caused by SARS-CoV-2 Coronavirus". Requests are to be sent to e-mail address [Svitlana.Lebedenko@pmi.com](mailto:Svitlana.Lebedenko@pmi.com). An official of the Company responsible for providing the documents to shareholders: Maksym Volodymyrovych Barabash, First Deputy General Director of the Company.

Within the period from the date of receipt by the Shareholders of a notice of the General Meeting to the commencement of the General Meeting, the Company shall provide written answers to written questions of Shareholders of the Company, in accordance with the procedure established by the Company, on agenda issues of the General Meeting by the date of holding the General Meeting. The Company may provide one general answer to all similar questions.

Each Shareholders of the Company may make proposals on draft agenda issues of the General Meeting and on new candidates to the bodies of the Company, the number of which may not exceed the number of members of each body. Proposals shall be made at least 20 days prior to the date of holding the General Meeting, and on candidates for bodies of the Company — at least seven days prior to the date of holding the General Meeting. Proposals on including new issues in the agenda must contain relevant draft resolutions on such issues. Proposals on candidates for members of the Supervisory Board of the Company must contain information of whether the proposed candidate is a representative of a shareholder (shareholders), or the candidate is proposed for the

member of the Supervisory Board — independent director. A proposal to draft agenda of the General Meeting shall be submitted in writing with the indication of last name (name) of the submitting shareholder, number, type and/or class of shares held by him/her, content of the proposal on the issues and/or draft resolution, as well as the number, type and/or class of shares held by a candidate proposed by such a shareholder for the bodies of the Company. Proposals of shareholders (shareholder) who jointly hold 5 or more percent of voting shares must be included into the draft agenda of the General Meeting. In this case, no resolution of the Supervisory Board of the Company on including the issue to the draft agenda shall be required, and the proposal shall be deemed included in the draft agenda if it is submitted subject to all requirements of legislation.

Information on the total number of shares and voting shares as of the date of drawing up the list of persons who receive a notice of the General Meeting:

- total number of shares – 2,005,018;
- number of voting shares – 2,005,018.

The list of documents to be provided by a shareholder (shareholder's representative) for his/her registration for participation in the General Meeting:

- in order to participate in the General Meeting, individual shareholders of the Company must have their passport with them;
- in order to participate in the General Meeting representatives of shareholders of the Company must have their passport with them, as well as the original power of attorney confirming powers of shareholder's representative to participate and vote at the General Meeting.

Registration of a shareholder (his/her representative) for participation in the General Meeting may be denied by the registration commission should the shareholder (his/her representative) have no personal identification documents on such a shareholder (his/her representative), and in case of shareholder's representative — also documents confirming representative's powers to participate in the General Meeting.

Participation and voting at the General Meeting by representatives of shareholders of the Company under a power of attorney shall be carried out after the registration of a shareholder's representative for participation in the General Meeting in accordance with the procedure stipulated by the current legislation. The power of attorney for participation and voting at the General Meeting may contain voting instruction, i.e. a list of agenda issues of the General Meeting with the indication of the way of voting for (against) a certain resolution. During voting at the General Meeting, a representative must vote exactly in a way stipulated by voting instructions. Unless the power of attorney contains voting instructions, a representative shall resolve all voting-related issues at the General Meeting at his/her own discretion.

**The main indicators of Company's financial and economic performance (UAH thousand)**

INDICATOR NAME	PERIOD	
	Reporting (2019)	Previous (2018)
Total assets	9,755,267	10,510,380
Fixed assets (at written-down value)	1,520,406	1,526,766
Inventories	1,160,904	1,140,836
Total accounts receivable	6,720,355	7,475,232
Cash and cash equivalents	30,184	11,664
Retained profits (loss)	5,009,411	2,374,456
Equity capital	5,082,553	2,421,656
Registered (share) capital	2,647	2,647
Non-current liabilities and contingencies	183,333	93,836
Current liabilities and contingencies	4,489,381	7,994,888
Net financial result: profit (loss)	2,598,558	2,147,377
Average annual amount of shares (number)	2,005,018	2,005,018
Net profit (loss) per ordinary share (UAH)	1,296	1,071

Board

Chairperson of the Supervisory  
N.O. Bondarenko