

PHILIP MORRIS INTERNATIONAL INC.

Code of Business Conduct and Ethics for Directors

1. Introduction

This Code of Business Conduct and Ethics for Directors (“Code”) has been adopted by Philip Morris International Inc. (the “Company”). This Code is intended to focus the Board and each director on areas of ethical risk, provide guidance to directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability. The Code is part of the Company’s commitment to integrity and its Compliance and Integrity Programs.

While covering a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where ethical decisions must be made, but rather set forth key guiding principles and Company policies. Directors are encouraged to bring questions about particular circumstances that may involve this Code to the attention of the Chair of the Nominating and Corporate Governance Committee, who may consult with the Company’s Chief Compliance Officer, and inside or outside counsel as appropriate.

All of our directors must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behavior. Even well-intentioned actions that violate the law or this Code may result in negative consequences for the Company and for the individuals involved.

One of our Company’s most valuable assets is our reputation for integrity. We should all recognize that our actions are the foundation of our reputation and adhering to this Code and the law is imperative.

Directors who also serve as officers of the Company should read this Code in conjunction with the Philip Morris International Code of Conduct.

2. Conflicts of Interest

Our directors have an obligation to act in the best interest of the Company. All directors should endeavor to avoid situations that present a potential or actual conflict between their interest and the interest of the Company.

A “conflict of interest” occurs when a person’s private interest interferes in any way, or even appears to interfere, with the interest of the Company, including its subsidiaries and affiliates. A conflict of interest can arise when a director or a director’s family member takes an action or has an interest that may make it difficult for that director to perform his or her work objectively and effectively. Conflicts of interest may also arise when a director (or his or her family member) receives improper personal benefits as a result of the director’s position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations where the rules are clear. No one, when acting for the Company, including a member of this board, may ever, directly or indirectly (such as through a family member):

- Accept any benefit, gift or entertainment that would be illegal or result in any violation of law;
- Accept any gift of cash or cash equivalent (such as gift certificates, loans, stock, stock options);
- Accept or request anything as a “quid pro quo,” or as part of an agreement to do anything in return for the benefit, gift or entertainment;
- Participate in any entertainment that is unsavory, sexually oriented, or otherwise violates our commitment to mutual respect; or
- Participate in any activity that you know would cause the person giving the benefit, gift or entertainment to violate his or her own employer’s standards.

The following are examples of situations which may constitute a conflict of interest. Situations such as these should be brought to the attention of the Chair of the Nominating and Corporate Governance Committee for review and clearance before any action is taken:

- Competing with the Company for the purchase or sale of property, services or other interests.
- Having an interest in a transaction involving the Company, a customer or supplier (other than as a director of the Company and not including routine investments in publicly traded companies).
- Receiving a loan or guarantee of an obligation as a result of your position with the Company.
- Engaging in any conduct or activities that disrupt or impair the Company’s existing or potential commercial relationships.
- Accepting compensation, in any form, for services performed for the Company from any source other than the Company.
- Either a director or a member of a director’s family receiving benefits, gifts or entertainment from persons or entities who deal with the Company where a benefit, gift or entertainment is intended to influence the director’s actions as a member of the Board, or where acceptance could create the appearance of a conflict of interest.

Situations involving a conflict of interest may not always be obvious or easy to resolve. Conflicts of interests involving the directors, or questions concerning potential conflicts,

shall be brought to the Chair of the Nominating and Corporate Governance Committee, who will consult with the Company's Chief Compliance Officer and legal counsel as appropriate.

3. Corporate Opportunities

Directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors are prohibited from taking for themselves business opportunities that are discovered through the use of corporate property, information or position. No director may use corporate property, information or position for personal gain, and no director may compete with the Company. Competing with the Company may involve engaging in the same line of business as the Company, or any situation where the director takes away from the Company opportunities for sales or purchases of products, services or interests.

4. Protection of Confidential Information

Directors should maintain the confidentiality of information entrusted to them by the Company, its customers, consumers or suppliers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company, its customers, consumers or suppliers, if disclosed.

5. Fair Dealing

Each director of the Company should endeavor to deal fairly with customers, consumers, suppliers, competitors, employees, the public and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

No bribes, kickbacks or other corrupt payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action.

Occasional business gifts of modest value to and entertainment of nongovernment employees in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of Company business. However, no gift or entertainment should be offered or extended if it is illegal, known to be in violation of the rules of the recipient's organization or would likely result in a feeling or expectation of personal obligation on the part of the recipient. In addition, no gifts or business entertainment of any kind may be given to any government employee without the approval of the Chair of the Nominating and Corporate Governance Committee, who will consult with legal counsel as appropriate.

6. Protection and Proper Use of Company Assets

Protecting Company assets against loss, theft or other misuse is the responsibility of everyone who acts for the Company, including directors. Loss, theft and misuse of Company assets directly impact our profitability. All of the Company's assets should be used for legitimate business purposes.

7. Compliance with Laws, Rules and Regulations

The Company is strongly committed to conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations. No director of the Company shall commit an illegal or unethical act, or instruct others to do so, for any reason when conducting business for the Company.

8. Trading on Inside Information

Using non-public, Company information to trade in securities, or providing a family member, friend or any other person with a "tip", is illegal. All such non-public information should be considered inside information and should never be used for personal gain. Directors are required to familiarize themselves and comply with the Company's policy against insider trading. Directors should contact the Corporate Secretary before engaging in any transaction involving Company securities.

9. Share Ownership Requirement

Non-employee directors are not permitted to sell or otherwise dispose of the Company's common stock received pursuant to the annual stock award (other than shares withheld from the grant to pay taxes) unless they would continue after such sale or disposition to own the Company's common stock, including deferred stock units, having an aggregate value of at least five times the then-current annual cash retainer.

10. Anti-Hedging and Anti-Pledging of the Company's Common Stock

Directors are prohibited from purchasing any financial instrument or otherwise engaging in any transaction that is designed to hedge or offset any decrease in the market value of the Company's common stock held by them directly or indirectly, including prepaid variable forward contracts, equity swaps, collars and exchange funds, and other transactions with comparable economic consequences. The foregoing does not prohibit trading in broad-based index funds.

Directors are also prohibited from engaging in short sales related to the Company's common stock and from pledging the Company's common stock, including holding the Company's common stock in a margin account.

11. Political Contributions and Activities

Any political contributions made by or on behalf of the Company and any solicitations for political contributions of any kind must be lawful and in compliance with Company

policies. This policy applies solely to the use of Company assets and is not intended to discourage or prevent individual directors from making political contributions or engaging in political activities on their own behalf. No one may be reimbursed directly or indirectly by the Company for personal political contributions.

12. Foreign Payments

Except in certain limited circumstances, the Foreign Corrupt Practices Act (“FCPA”) and other laws prohibit giving anything of value directly or indirectly to any “foreign official” for the purpose of obtaining or retaining business or other improper purposes such as reducing taxes. The meaning of “foreign official” can be surprisingly broad – UN officials, candidates for political office, employees of state-owned businesses, etc. When in doubt as to whether a possible arrangement, payment or gift may violate these laws contact the Chair of the Nominating and Corporate Governance Committee before taking any action. The Chair will consult with legal counsel as appropriate

13. Other Legal Standards

There are many legal and ethical standards that apply to those who act for the Company. Among these are:

- The Company is fully committed to mutual respect among all those who act for the Company. The Company does not discriminate against anyone based on race, color, religion, sex, age, national origin, sexual orientation, veteran status, citizenship status, marital status, parental status, political affiliation or disability. The Company does not tolerate any form of unlawful harassment, including sexual harassment.
- The Company respects and is diligent in protecting the privacy of employees and our customers and consumers.
- In any dealings with the government honesty is required of anyone acting for the Company. In the event of a governmental inquiry, all records relevant to the inquiry must be preserved.
- The Company is also fully committed to compliance with all antitrust and competition laws, and will not engage in any improper communications or agreements with competitors. The Company will also not accept or use anyone else’s proprietary information that is improperly obtained, and will not copy or otherwise misappropriate others’ copyrighted materials.

14. Compliance with This Code and Reporting of Any Illegal or Unethical Behavior

Every director is expected to comply with all of the provisions of this Code. The Code will be strictly enforced and violations will be dealt with promptly. Violations of the Code that involve illegal behavior will be reported to the appropriate authorities, after consulting with counsel.

Directors should promptly communicate any suspected violations of this Code to the Chair of the Nominating and Corporate Governance Committee. Any concerns relating to the Chair of the Nominating and Corporate Governance Committee should be communicated to the Chair of the Audit Committee. Violations will be investigated by or at the direction of the Nominating and Corporate Governance Committee, the Audit Committee or the Board of Directors as appropriate.

Directors should promote ethical behavior and an environment in which the Company encourages employees to talk to supervisors, managers or other appropriate personnel about illegal and unethical behavior and, when in doubt, about the best course of action in a particular situation. The Company will not tolerate any kind of retaliation for questions, reports or complaints regarding misconduct that were made in good faith.

15. Waivers and Amendments

Any waiver of any provision of this Code for any director may only be granted by the Board of Directors and will be promptly disclosed to the Company's shareholders (by posting on our Website or other means of public disclosure). Amendments to this Code must be approved by the Board of Directors and must be promptly disclosed to shareholders.

