



PHILIP MORRIS ČR

The Board of Directors of
Philip Morris ČR a.s.,
with its registered office in Kutná Hora, Vítězná 1, Postcode: 284 03,
ID No.: 14803534,
registered in the Commercial Register maintained by the Municipal Court in Prague,
Section B, Insert 627
(the “**Company**”)

hereby convenes
AN ORDINARY GENERAL MEETING
(the “**General Meeting**”)

of its shareholders, which will take place on 26 April 2013 at 10:00 am, at the Company’s above-stated registered office, with the following agenda:

1. Opening of the General Meeting;
2. Election of the chairman of the General Meeting, the minutes clerk, the minutes verifiers, the persons charged with counting the votes and the approval of the rules of procedure and the voting rules;
3. The Report of the Board of Directors on the Business Activities of the Company, the Board of Directors Report on Relations between Related Parties, the Summary Explanatory Report concerning certain matters mentioned in the 2012 annual report, the proposal for the approval of the 2012 Ordinary Financial Statements, the 2012 Ordinary Consolidated Financial Statements and for the distribution of profit for the year 2012 and retained earnings from prior years, including an indication of the amount and manner of payment of dividends;
4. The Supervisory Board Report;
5. Approval of the Report of the Board of Directors on the Business Activities of the Company, the 2012 Ordinary Financial Statements, the 2012 Ordinary Consolidated Financial Statements and the proposal for the distribution of profit for the year 2012 and retained earnings from prior years, including an indication of the amount and manner of payment of dividends;
6. Election of the members of the Board of Directors and the Supervisory Board and the approval of the agreement for the exercise of the function of a member of the Board of Directors and the agreements for the exercise of the function of members of the Supervisory Board;
7. Election of the members of the Audit Committee;
8. Appointment of a Company auditor;
9. Granting of consent to the execution of the Loan Agreement between the Company as a Lender and Philip Morris International Inc. as a Borrower pursuant to Section 193 subsection (2) of Act no. 513/1991 Coll., Commercial Code, as amended;
10. Closing of the General Meeting.

In the case of the Company’s book-entered shares, any person listed in an extract from the register of the Company as the issuer, i.e. in the records of the Company’s book-entered securities maintained in accordance with a special legal regulation, as at the date decisive for the attendance of the General Meeting, i.e. 19 April 2013 (the “**Decisive Date**”), is entitled to attend the General Meeting and exercise its shareholder rights, i.e. also to vote at the General Meeting, whether directly or through a representative. In the case of the Company’s certificated shares, any person listed in the list of Company shareholders as at the Decisive Date, i.e. 19 April 2013, is entitled to attend the General Meeting and exercise its shareholder rights, i.e. vote at the General Meeting, whether directly or through a representative (unless it is proven that the relevant entry in the list of Company shareholders as at that date fails to reflect the actual state of affairs).

The significance of the Decisive Date is that it determines who is entitled to attend the General Meeting and exercise shareholder rights, i.e. also to vote at the General Meeting.

Shareholders’ representatives must be authorised to attend the General Meeting and to exercise their rights at the General Meeting by persons who are Company shareholders as at the Decisive Date. Such authorisation must be granted by means of a written power of attorney bearing an officially verified signature and stating whether the power of attorney is granted for the General Meeting only or for several general meetings during a certain period of time.

Any person registered as at the Decisive Date in the register of investment instruments or in the register of the Company as the issuer, i.e. in the register of book-entered securities maintained in accordance with a special legal regulation, as an administrator or as a person authorised to exercise the rights attached to the shares, is deemed entitled to represent the relevant shareholder and exercise any and all rights attached to the shares kept on the relevant account, which includes voting at the General Meeting. Such person's authorisation to represent the shareholder and exercise its rights must be indicated in the relevant extract from the register of investment instruments or the records of book-entered securities.

The registration of the shareholders at the General Meeting will commence at 8:30 am at the place of the General Meeting. At the registration, the shareholders or their representatives must present valid proof of identity. A person authorised to act on behalf of a shareholder who is a legal entity must also present an up-to-date extract from the Commercial Register or any other relevant register concerning such legal entity or a notarised copy thereof. Shareholders' representatives authorised by a power of attorney must also present such a written power of attorney bearing an officially verified signature and stating whether the power of attorney is granted for the General Meeting only or for several general meetings during a certain period of time.

The Company would like to point out to shareholders that a template of the power of attorney granting the right to represent the shareholder at the General Meeting is available as a printed document at the Company's registered office. At their expense and risk, the shareholders are entitled to request that such template is sent to them in the form of a printed document or in electronic form. The template of the power of attorney is also published in a manner allowing remote access on the following website: <http://www.philipmorris.cz>.

The Company will accept electronic notices stating that a power of attorney was granted or revoked and that a shareholder will attend the General Meeting through a representative at the following email address: philipmorris.cz@pmi.com.

In accordance with the Commercial Code and the Company's Articles of Association, the shareholders are entitled to attend the General Meeting, vote at the General Meeting, request and receive an explanation of the Company's affairs at the General Meeting, provided that such explanation is necessary for considering the agenda of the General Meeting, and submit proposals and counter-proposals. Shareholders attending the General Meeting are also entitled to receive explanations regarding the affairs of entities controlled by the Company.

Information contained in such explanations must be concrete and provide a comprehensive picture of the actual state of things. Information may be refused in part or in full if due business consideration shows that its disclosure could harm the Company or if it represents inside information governed by a special legal regulation or if it is a business secret of the Company or if it represents secret information governed by a special legal regulation. The Board of Directors will decide whether information has this nature. If the Board of Directors refuses to disclose information for the above reasons, such information may only be requested if its disclosure is approved by the Supervisory Board. If the Supervisory Board also does not approve the disclosure of such information, the issue of whether the Company is obliged to disclose such information will be decided by a court on the basis of the shareholder's legal action. This will not affect special legal regulations regarding data protection. Explanations may also be provided by means of a summarised response to several similar enquiries. It will be deemed that a shareholder has also received an explanation if an additional explanation to the relevant items on the agenda of the General Meeting is published on the Company's website no later than on the day preceding the date of the General Meeting and if made available to shareholders at the venue of the General Meeting.

If, at the General Meeting, a shareholder wishes to submit a counter-proposal to a proposal, the contents of which are included in the invitation to the General Meeting, or a proposal to any other item on the agenda of the General Meeting, or if a resolution of the General Meeting must be recorded in the form of a notarial deed, such shareholder is obliged to deliver the written wording of its counter-proposal or proposal to the Company no later than five business days before the General Meeting. This will not apply to proposals relating to the election of specific persons to the Company bodies. The Board of Directors is obliged to publish the shareholder's counter-proposal together with its opinion, if possible, no later than three days before the announced date of the General Meeting.

The Board of Directors will include in the agenda of the General Meeting any issue requested by a shareholder or shareholders having shares whose cumulative nominal value amounts to 3 % or more of the registered capital, provided that each item of such proposal is accompanied with reasoning or a proposed resolution and delivered to the Board of Directors no later than 20 days before the Decisive Date. If such a request is delivered after the invitation for the General Meeting has been sent, the Board of Directors will publish an addendum to the agenda of the General Meeting at least ten days before the Decisive Date for the attendance of the General Meeting, in the manner stipulated in those provisions of law and the Articles of Association which relate to the convocation of general meetings. If it is no longer possible to make such publication, such an item may only be included in the agenda of the General Meeting if all Company shareholders are present and agree to such inclusion.

Issues not included in the proposed agenda of the General Meeting may only be resolved at the General Meeting if all Company shareholders are present and agree to it.

The Company issued 1,913,698 ordinary book-entered registered shares and 831,688 ordinary certificated registered shares, i.e. together 2,745,386 shares, with a nominal value of CZK 1,000 per share. When voting at the Company's General Meeting, one vote is attached to each Company share. Votes are taken by a show of hands unless the General Meeting decides otherwise. The General Meeting will first vote on proposals submitted by the Board of Directors or the Supervisory Board. If such proposals are not approved or submitted, votes will be taken on (counter-proposals submitted by shareholders. Shareholders are not obliged to exercise the voting rights attached to all of their shares in the same way.

The Board of Directors has prepared a Report on Relations between Related Parties, which indicates that in the 2012 accounting period the Company as a controlled entity suffered no harm as a result of the influence exercised by Philip Morris Holland Holdings B.V., as the controlling entity.

A proposal on the distribution of the Company's profits generated in 2012 and from retained earnings from prior years, including a schedule of payments of the shareholders' shares in the Company's profit (dividends), the term and manner of such payments and information concerning the financial institution which will make the payments of dividends, forms Schedule 1 to this invitation.

The share in the Company's profit (dividend) for 2012 and from retained earnings from prior years will be paid to the Company's shareholders: in the case of book-entered shares to those listed in the extract from the register of the Company, as the issuer, i.e. in the register of book-entered securities maintained in accordance with a special legal regulation as at the date decisive for the attendance of the General Meeting, i.e. 19 April 2013 (the "**Decisive Date for Exercising Dividend Rights**") and in the case of certificated shares to those listed in the list of the Company shareholders as at the Decisive Day for Exercising Dividend Rights (unless it is proven that the relevant entry in the list of Company shareholders as at that date fails to reflect the actual state of affairs).

Documents and information relating to the General Meeting, which must be published pursuant to Section 120b (1) a), b), d) to f) of Act no. 256/2004 Coll., on Business Activities on the Capital Market, as amended, as well as a template of the power of attorney granting the right to represent the shareholder at the General Meeting will be available at the Company's registered office: Kutná Hora, Vítězná 1, Postcode: 284 03, on business days from 26 March 2013 until 25 April 2013, from 2 pm until 5 pm. All the above information and documents are also published in a manner allowing remote access on the following website: <http://www.philipmorris.cz>.

Information for shareholders, including printed source materials for the General Meeting, will be available from the information centre at the venue of the General Meeting.

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

Main data from the 2012 Ordinary Financial Statements (in CZK millions)

Non-current assets:	2 924	Registered capital and reserves:	5 671
Current assets:	14 500	Retained earnings from prior years:	62
.....		Earnings for the current period:	2 430
.....		Non-current liabilities:	139
.....		Current liabilities:	9 122
Total assets:	17 424	Total equity and liabilities:	17 424

Main data from the 2012 Ordinary Consolidated Financial Statements (in CZK millions)

Non-current assets:	2 953	Registered capital and reserves:	5 683
Current assets:	14 867	Retained earnings from prior years:	72
.....		Earnings for the current period:	2 441
.....		Non-current liabilities:	131
.....		Current liabilities:	9 493
Total assets:	17 820	Total equity and liabilities:	17 820

In Kutná Hora on 25 March 2013

András Tövisi
Chairman of the Board of Directors
Philip Morris ČR a.s.

Stanislava Juríková
Member of the Board of Directors
Philip Morris ČR a.s.

SCHEDULE NO.1

Proposal for income distribution for the year 2012 and retained earnings from prior years (in CZK)

Income after tax for the year 2012	2 429 903 861.01
Retained Earnings from prior year	40 943 538.99
Dividend	2 470 847 400.00
Transfer to Retained Earnings from prior years	0.00

The Dividend will be paid out to the shareholders who held shares of the Company as at 19 April 2013.

The proposed gross dividend is CZK 900.00 per share on a total of 2 745 386 shares.

Distribution of dividends to Individuals will be done through Komerční banka, a.s.

Komerční banka, a.s. will send by mail a notification on profit distribution from the securities (the “**payment notification**“) to all shareholders in the Czech Republic and abroad (except shareholders from Slovakia), at the address registered in the records of the Company’s book-entered securities maintained by the Central Depository of Securities as at 19 April 2013 in case of book-entered shares and to the address listed in the list of Company shareholders in case of the Company’s certificated shares as at 19 April 2013. Dividends will be paid out during the payment period through branches of Komerční banka, a.s. in cash or via bank transfer on the basis of a shareholder’s valid identity card. If a shareholder, a tax resident of another country than the Czech Republic, asks for a favourable withholding tax rate, he/she is obliged to present besides valid identity card also his/her tax residency certificate and declaration of beneficial owner.

The payment period will be from 27 May 2013 to 31 March 2014.

Postal vouchers will be sent to shareholders in Slovakia.

All information shall be provided on the branches of Komerční banka, a.s.

Distribution of dividends to Companies

Dividends to companies will be transferred to the bank account of the shareholder by Komerční banka, a.s. after receiving the relevant documentation, including the tax residency certificate and declaration of beneficial owner if a favourable withholding tax rate is applied for by the shareholder.

The contact person in Komerční banka, a.s.:

Václavské náměstí 42
114 07 Praha 1

Ing. Monika Kopřivová
Vedoucí – Centrum služeb emitentům
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