

REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSAL TO THE ANNUAL GENERAL SHAREHOLDERS MEETING ON THE RATIFICATION AND APPOINTMENT AS PROPRIETARY DIRECTOR OF MS. JENNIFER SUSAN RAMSEY

I

On 18th March 2022, the Company has received a written communication from the proprietary Director Ms. Marie Ann D' Wit, tendering her resignation as Director of the Company, with effect from March 21st, 2022, as she ceased to provide Imperial Brands Plc with professional services.

Mrs. D'Wit had worked in the capacity of proprietary Director, in application of article 529 duodecies 3 of the Capital Companies Act, because she represented Imperial Brands – the Company's majority indirect shareholder – on the Board of Directors.

II

In accordance with the provisions of article 529 decies of the Capital Companies Act, the appointment by co-option has to be submitted to the first General Meeting of the Company that is held. Therefore, the Board of Directors, following a report from the Appointments and Remuneration Committee, has proposed the submission to the General Shareholders' Meeting of the ratification and appointment of Ms. Jennifer Susan Ramsey as proprietary director.

III

In the context of the exercise of the proportional representation right, recognized by the Capital Companies Act and, in accordance with the rules of the Relationship Framework Agreement of 12th June, 2014, signed between the Company and Imperial Brands (formerly, Imperial Tobacco Group), the latter proposed the appointment of five directors, out of the twelve who currently constitute the Company's Board of Directors.

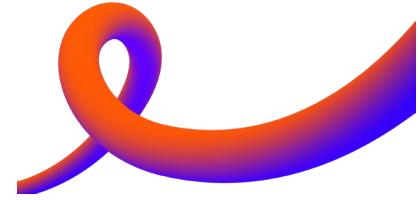
The vacancy created by Ms. D' Wit's resignation must be filled, as per the Framework Agreement rules, by another Director who represents Imperial Brands on the Board.

The Secretary of IB's Board of Directors, representing Imperial Brands and taking into consideration the prescriptions of the said Framework Agreement, proposed to the Chairman of the Company's Board of Directors the appointment of Ms. Jennifer Susan Ramsey to fill the existing vacancy.

Mrs. Ramsey studied Civil Engineering at Imperial College, London and has an MSC in Soil Mechanics and Engineering Seismology from the same institution. She is also CFA Charterholder, has an MBA from London Business School and is a Chartered Civil Engineer.

Mrs. Ramsey joined Imperial Brands in April 2021 and serves as Senior Investor Relations Manager of Imperial Brands Plc.

Prior to joining Imperial, she worked as Head of Investor Relations at Rolls-Royce Plc and Senior Plc. She has twenty years' experience as a fund manager directing investments for both institutional and private clients in both the UK and the US.



IV

The Appointments and Remuneration Committee, in its meeting of today, has evaluated again Ms. Ramsey profile and decided that Ms. Ramsey:

- i) still fulfils the requirements of the Law and of the Company's Policy on the Selection of Directors of 19th December 2017, (knowledge, professional experience, recognized soundness and competence, responsibility for the exercise of their office, and absence of conflicts of interest) for appointment as a Director;
- ii) is not involved in any case involving prohibition or incompatibility under the Law or under the Company's Policy on the Selection of Directors; and
- iii) fulfils the legal and statutory requirements for inclusion in the category of proprietary Director.

The Committee has also highly valued Ms. Ramsey's performance since her appointment by co-option and has taken into consideration, in particular, her technical academic training, as well as her experience in international markets investor relations.

Therefore, the Appointments and Remuneration Committee unanimously reports favourably on the proposal for the ratification and appointment of Ms. Jennifer Susan Ramsey as proprietary Director.

V

In view of the foregoing, the Board of Directors unanimously (with the personal abstention of Mrs. Ramsey), agreed to adopt the above-mentioned Report of the Appointments and Remuneration Committee, related to the proposal of ratification and appointment by the General Shareholders Meeting of Ms. Jennifer Susan Ramsey as proprietary Director, on the understanding that Ms. Ramsey has the necessary skills, experience and merits, and fulfils the requirements to be ratified and appointed by the General Shareholders Meeting as proprietary Director of the Company, for the statutory period of four years.

This report was unanimously approved by the Board of Directors (with the said abstention), in accordance with the provisions of the Capital Companies Act, and will be joined to the General Meeting Minutes that may approve her re-election as Director.

Leganés, December 14th, 2022

The Board Secretary

María Echenique Moscoso del Prado