

14 May 2021

**IMPERIAL BRANDS PLC**  
**(THE "COMPANY")**

**UPDATE ON 2021 ANNUAL GENERAL MEETING VOTING RESULTS**

At the Annual General Meeting held on 3 February 2021, all resolutions were passed. Although Resolution 2, the Directors' Remuneration Report was carried, a significant proportion of the votes cast were against.

In the run up to the Annual General Meeting we engaged with a number of our shareholders to understand their concerns. The principal point at issue for them, and some of the proxy voting guidance services, was the level of base salary for Stefan Bomhard, Chief Executive on his appointment.

Following the AGM, we engaged our largest shareholders offering further opportunities to discuss our approach and to update them on a number of actions the Remuneration Committee has taken.

- As disclosed in the Directors' Remuneration Report, none of the Directors received a salary increase for the financial year commencing 1 October 2020.
- As announced on 18 February 2021, the face value of Stefan Bomhard's 2021 LTIP award was reduced, on an exceptional basis, from 350% of salary to 315%, a reduction of 10% of the face value of the usual annual award. When making this decision the Remuneration Committee took into account the share price performance over the year and the concerns expressed by a number of shareholders about the level of Stefan Bomhard's salary on appointment.
- On 17 February 2021, we announced the appointment of Lukas Paravicini as Chief Financial Officer. The announcement set out his remuneration arrangements and as part of our continued dialogue with shareholders we have offered them an early opportunity to provide any comments.
- Feedback from investors and proxy agencies let us know that our 2020 Directors' Remuneration Report did not sufficiently make clear the decision-making process when setting remuneration arrangements. As such we will be taking a fresh approach to the way in which we communicate with our investors through the 2021 Directors' Remuneration Report.

Our shareholders' views are important to us and we shall continue to engage with our largest shareholders on governance and remuneration. A further update on these matters will be provided in the Company's 2021 Annual Report.