



Thérèse Esperdy
Chair



IMPERIAL BRANDS PLC

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Dear Shareholder

ANNUAL GENERAL MEETING OF IMPERIAL BRANDS PLC

I am pleased to invite you to attend our annual general meeting ("AGM" or the "Meeting") to be held on Wednesday 2 February 2022 at 2.30 pm.

If you requested electronic copies of the Annual Report and Accounts and associated documents or if you did not return the election card previously sent to you, this letter is notification that the Annual Report and Accounts and associated documents have now been published on our website under Investors-Shareholder Centre-AGM (www.imperialbrandsplc.com/investors/shareholder-centre/agm.html).

If you have requested a printed copy of the Annual Report and Accounts, it is enclosed with this letter together with the associated documents.

Overview of Performance

2021 was a year of important progress, as we set out our new strategy and began to build the foundations to strengthen performance.

The Board has continued to take decisive action to make the necessary changes with pace. A key focus for the year has been to develop our leadership capabilities, while supporting the executive team in their strategic review.

We have made significant progress in enhancing the composition of both the Board and the Executive Leadership Team. I am particularly proud of the strong and diverse Board we have now assembled, which is equipped with a compelling mix of skills and experience relevant to Imperial and the challenges and opportunities it faces.

Our new strategy, vision and purpose are a comprehensive plan for change, which we have now begun to implement. I am pleased to report our operational and financial performance for the year has been delivered in line with our expectations, reflecting the early fruits of our more focused approach under the new leadership team.

Strategy update

Our aim is to create a stronger, more agile, consumer-centric company. At our Capital Markets Day in January we set out a clear plan of action that plays to our strengths as the fourth largest global tobacco player and nurtures our strong challenger mindset and culture. Core to our new approach is to place consumers at the centre of our decision-making so we are better placed to meet evolving consumer needs. This is key to delivering better and more consistent results over time.

Stefan has formed his new Executive Leadership Team and work has started to restructure the Company aligned to the new strategy.

Stefan has led this comprehensive review and delivered significant change despite the COVID restrictions.

The Board continues to support and oversee the execution of our strategy and pays close attention to risk management, performance metrics, our environmental, social and governance (ESG) agenda and stakeholder engagement.

Registered in England
and Wales No: 3236483

Registered Office:
121 Winterstoke Road,
Bristol BS3 2LL, UK

Capital allocation

Alongside our strategy, we have adopted a clear capital allocation framework to define how we will prioritise capital deployment over the next five years. The Board has carefully evaluated the investment needs of the business, the appropriate capital structure and the best way to maximise returns to shareholders through a progressive dividend policy and by returning surplus capital.

Strengthening the balance sheet remains an important priority so we can reach our target leverage. Achieving this target creates the headroom for a more flexible approach to return surplus capital to shareholders through share buybacks or special dividends, subject to market conditions at the time.

During the first quarter, we completed the sale of our Premium Cigar business, which will raise total proceeds of €1.225 billion. To date, we have realised proceeds of €1.15 billion, which have been used to reduce debt. These proceeds, together with the benefit from the decision in 2020 to rebase the dividend by one-third and our net cash generation in the year, and the favourable exchange rate benefit, mean our net debt has reduced by more than £1.7 billion in the year.

The Board recognises the importance of cash returns to investors. In line with our progressive dividend policy, and taking into account underlying business performance, we have announced a 1.0 per cent increase for the final dividend this year.

Board engagement

The Board has stepped up its engagement with key stakeholders this year. We held four Board listening events with groups of employees from around the world. These events were great opportunities for the Board to hear feedback directly from employees, as part of our overall engagement strategy. The outputs of these Board sessions are featured in the People and Culture section of the Annual Report and Accounts 2021. These activities build on the town halls and other activities led by Stefan and the executive team.

At the 2021 AGM, we received 59.7 per cent of votes in favour of Resolution 2 to approve the Directors' Remuneration Report. Following the AGM we continued to engage with our largest shareholders to understand their concerns, which included the base salary for Stefan Bomhard and the need for the Remuneration Committee to be clearer about why it takes its decisions. Full details can be found in the Annual Report and Accounts 2021.

The Board continued an active dialogue with shareholders and we have received regular feedback reports from investors throughout the year. I have also met with our largest shareholders to update on progress, listen to feedback and to discuss any concerns. I am pleased to report the actions we have already taken have resulted in a more positive dialogue with shareholders, although much remains to be achieved through our five-year plan.

I have also supported the new leadership team in their increased engagement with all key stakeholders, including customers, suppliers, regulators and NGOs, and we look forward to building on this in the coming year. The Board believes this more outward-looking approach is critical to changing the culture to create a stronger and more agile business.

Operating responsibly

Our commitment to our ESG responsibilities is captured in our new vision, purpose and values and will be delivered through our strategy.

Since becoming Chair, I have taken a direct interest in our ESG agenda and chaired a cross-functional ESG Steering Committee to maintain oversight on progress against our five ESG priorities. However, with the new Executive Leadership Team (ELT) in place, it is now appropriate that Stefan chairs an operational ESG Steering Committee with representation from the key functions. This will make regular reports to the Board and I will remain fully engaged.

The Board supports greater transparency, and has agreed additional publicly available KPIs for climate and energy, farmer livelihoods, human rights and waste to help our stakeholders measure our performance going forward. We have also reviewed our progress towards the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) and we are currently on track to deliver the required disclosures in 2022. I am pleased we have also committed to be net zero by 2040.

We recognise the most important ESG priority for many of our stakeholders is consumer health and, in order to realise our harm reduction ambitions, we need a stronger NGP business offering potentially reduced risk products. This is a key pillar of the new strategy and our market trials in heated tobacco and vapour are critical to establish the right foundation for this business. We will continue to report progress on these trials, which will define our metrics for consumer health.

The diversity of the ELT and the Board is an important visible sign of our commitment to diversity and inclusion and reflects our dedication to the continual development of all aspects of our ESG strategy: environmental, social and governance.

Board changes

Since becoming Chair, I have been determined to strengthen the Board's capabilities, expertise and diversity. We have made significant progress in assembling a high-quality and diverse team, notwithstanding the challenges of the global pandemic. I am delighted we have been able to further our expertise in several important areas including finance, business transformation, government and regulatory affairs and large multinational enterprises, as well as adding relevant sector experience in consumer goods and retail.

In January, we welcomed Alan Johnson to the Board as Non-Executive Director and a member of the Succession and Nominations Committee and the Audit Committee. Alan brings a strong financial background in consumer goods and retail, having held a number of senior finance positions at Unilever during a 30-year career.

In June, Pierre-Jean Sivignon stepped down from the Board for unforeseen personal reasons. The Board and I were deeply saddened to hear of his need to step down and would like to thank Pierre-Jean for his contribution to the Board.

In September, we announced the appointment of Ngozi Edozien and Diane de Saint Victor, who both joined the Board as Non-Executive Directors on 15 November. Ngozi brings to the Board over 30 years' experience in general management, finance, consultancy, and business development gained at multinational companies in Europe, USA and Africa. Diane has strong legal, regulatory and ESG experience relevant for us in the tobacco industry, having held a number of General Counsel and other key roles in an international career spanning more than three decades.

On 6 December 2021, we announced that Steven Stanbrook had decided not to stand for re-election at the 2022 AGM. Following Steven's decision to step down from the Board, the role of representing the employee voice in the Board room is under review, and will be addressed over the coming months.

On the Executive Director side, we welcomed Lukas Paravicini to the Board as Chief Financial Officer in May. Lukas joined from ED&F Man Holdings where he was CFO and brings a combination of financial and operational experience from consumer goods companies, such as Nestlé and Fonterra, as well as experience in driving transformational change. Lukas succeeds Oliver Tant, who retired from the business in July, following a period of handover. We wish to thank Oliver for his contribution to the business during his seven-year tenure.

Response to COVID-19

The Board has remained fully engaged in the Group's response to the pandemic, with the health and safety of our people being our first priority, followed by a focus on sustaining business performance. The Group's response has been an important agenda item at formal Board meetings and as part of our informal engagement.

On behalf of the Board, I would like to thank our employees for their dedication and resilience in the face of the continued COVID-19 pandemic during the year. Their actions have enabled our supply chain to operate smoothly throughout the pandemic.

The year ahead

With our new strategy clearly articulated, we have plenty to achieve in the year ahead. The newly formed executive team will continue to make the changes required for the next phase of Imperial's development and we will see a new consumer-centred, performance-focused and collaborative culture emerge.

The prioritisation of investment behind our top-five combustible markets and in our market pilots for heated tobacco and vapour is creating a stronger and more focused business that is better able to deliver consistent growth over time.

The Board is confident that Imperial has great potential and we remain focused on delivering the necessary changes to strengthen performance and realise value for our shareholders

Recommendation

Your Board believes that the resolutions contained in the Notice of AGM promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of all resolutions, as they intend to do in respect of their own holdings.

Yours sincerely



Thérèse Esperdy
Chair

IMPERIAL BRANDS PLC NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO ANY ASPECT OF THE CONTENTS OF THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE YOU ARE RECOMMENDED TO CONSULT AN INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

Notice is hereby given that the annual general meeting (the 'AGM') of Imperial Brands PLC (the 'Company') will be held at the Bristol Marriott Hotel City Centre, 2 Lower Castle Street, Old Market, Bristol BS1 3AD on Wednesday 2 February 2022 at 2.30 pm for the transaction of the following business:

BUSINESS OF THE MEETING

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass resolutions 1 to 17 inclusive as ordinary resolutions:

Resolution 1

THAT the Annual Report and Accounts for the financial year ended 30 September 2021 be received.

Resolution 2

THAT the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) set out on pages 120 to 139 of the Annual Report and Accounts for the financial year ended 30 September 2021, be approved.

Resolution 3

THAT a final dividend for the financial year ended 30 September 2021 of 48.48 pence per ordinary share of 10 pence payable on 31 March 2022 to those shareholders on the register at the close of business on 18 February 2022 be declared.

Resolution 4

THAT Stefan Bomhard be re-elected as a Director of the Company.

Resolution 5

THAT Susan Clark be re-elected as a Director of the Company.

Resolution 6

THAT Ngozi Edozien be elected as a Director of the Company.

Resolution 7

THAT Thérèse Esperdy be re-elected as a Director of the Company.

Resolution 8

THAT Alan Johnson be re-elected as a Director of the Company.

Resolution 9

THAT Robert Kunze-Concewitz be re-elected as a Director of the Company.

Resolution 10

THAT Simon Langelier be re-elected as a Director of the Company.

Resolution 11

THAT Lukas Paravicini be elected as a Director of the Company.

Resolution 12

THAT Diane de Saint Victor be elected as a Director of the Company.

Resolution 13

THAT Jonathan Stanton be re-elected as a Director of the Company.

Resolution 14

THAT Ernst & Young LLP ('EY') be re-appointed as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

Resolution 15

THAT the Audit Committee (for and on behalf of the Board) be authorised to set the remuneration of the auditor.

Resolution 16

THAT in accordance with section 366 of the Companies Act 2006 (the "Act") the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect are authorised to:

- (a) make political donations to political parties or independent election candidates, not exceeding £100,000 in total;
- (b) make political donations to political organisations other than political parties, not exceeding £100,000 in total; and
- (c) incur political expenditure not exceeding £100,000 in total,

provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000, during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 31 March 2023.

For the purpose of this resolution the terms “political donations”, “political parties”, “independent election candidates”, “political organisations” and “political expenditure” have the meanings set out in sections 363 to 365 of the Act.

Resolution 17

THAT the Directors be authorised to allot ordinary shares of 10 pence each in the capital of the Company (the “Ordinary Shares”) or grant rights to subscribe for, or convert any security into, Ordinary Shares in accordance with article 7 of the Company’s Articles of Association, up to a maximum nominal amount of £14,150,000; this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 31 March 2023; and all previous unutilised authorities under section 551 of the Companies Act 2006 (the “Act”) shall cease to have effect (save to the extent that a previous authority is exercisable pursuant to section 551(7) of the Act by reason of any offer or agreement made prior to the date of this resolution which would or might require Ordinary Shares to be allotted or rights to be granted on or after that date).

SPECIAL RESOLUTIONS

To consider and, if thought fit, pass resolutions 18 to 20 inclusive as special resolutions:

Resolution 18

THAT, in accordance with article 8 of the Company’s articles of association, if resolution 17 is passed, the Board be authorised to allot equity securities (as defined in section 560(1) the Companies Act 2006 (the “Act”)) for cash under the authority given by resolution 17 and/or to sell ordinary shares of 10 pence each in the capital of the Company (the ‘Ordinary Shares’) held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited to:

- i. the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities for a period fixed by the Board:
 - a. to or in favour of holders of Ordinary Shares in proportion (or as closely as may be practicable) to their existing holdings; and
 - b. to holders of other equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements as the Directors deem necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, any legal, regulatory or practical problems in, or under the laws of, any territory, or any other matter; and

- ii. the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) above) up to a nominal amount of £4,730,000,

such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 31 March 2023) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Resolution 19

THAT in accordance with the Companies Act 2006 (the ‘Act’), the Company is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10 pence each in the capital of the Company (“Ordinary Shares”) on such terms and in such manner as the Directors may from time to time determine, provided that:

- i. the maximum number of Ordinary Shares that may be purchased under this authority is 94,600,000;
- ii. the minimum price which may be paid for each Ordinary Share is 10 pence (exclusive of all expenses);
- iii. the maximum price which may be paid for each Ordinary Share (exclusive of all expenses) shall not be more than the higher of:
 - a. an amount equal to 105 per cent of the average of the middle market prices shown in the quotations for the Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased; and
 - b. an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out; and
- iv. the authority hereby conferred shall, unless previously revoked or varied, expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 31 March 2023 save in relation to purchases of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry, where the Company may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

All previous unutilised authorities for the Company to make market purchases of Ordinary Shares are revoked, except in relation to the purchase of Ordinary Shares under a contract or contracts concluded before the date of this resolution and where such purchase has not yet been executed.

Resolution 20

THAT a general meeting of the Company other than an annual general meeting of the Company may be called on not less than 14 clear days' notice.

Registered Office:
121 Winterstoke Road
Bristol BS3 2LL
Registered in England and Wales No: 3236483

By order of the Board
John M Downing
Company Secretary

14 December 2021

NOTES

1. Ordinarily only holders of Ordinary Shares are entitled to attend and vote at this AGM. Members entitled to attend and vote can appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote instead of them. A member may appoint more than one proxy, provided that they do not do so in relation to the same Ordinary Shares. A proxy need not be a member of the Company.

You may appoint your proxy electronically at www.sharevote.co.uk. You will need the Voting I.D., Task I.D. and Shareholder Reference which together make up your personal voting reference number printed on the front of the proxy form enclosed with this notice. Alternatively, if you have already registered with Equiniti's online portfolio service, Shareview, you can submit your proxy form at www.shareview.co.uk by logging onto your portfolio using your usual user I.D. and password. Once logged in simply click "View" on the "My Investment" page, click on the link to vote then follow the on-screen instructions. For further information see the instructions printed on your proxy form.

You can appoint your proxy electronically or by using the form enclosed with this notice: instructions are shown on the form. Proxy forms and the power of attorney or other authority, if any, under which it is signed (or a certified copy of it) need to be received by the Company's registrar, Equiniti Limited, no later than 48 hours before the scheduled start of the AGM or any adjournment of the AGM. Equiniti's address is Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 2:30 pm on 31 January 2022 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

A "vote withheld" option is provided on the proxy form to enable you to instruct your proxy not to vote on any particular resolution. Note that a vote withheld in this way is not a "vote" in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.

You must inform the Company's registrar in writing of any termination of the authority of a proxy.

A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a "Nominated Person") may, under an agreement between them and the shareholder who nominated them, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statements of the rights of members in relation to the appointment of proxies in this notice do not apply to a Nominated Person. Only registered members of the Company can appoint proxies. Nominated Persons are reminded that they should contact the registered holder of their Ordinary Shares (and not the Company) on matters relating to their investments in the Company.

Under section 319A of the Act, a member attending the meeting has the right to ask questions in relation to the business of the meeting. The Company must answer any such questions relating to the business being dealt with at the meeting except if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

2. As at 14 December 2021 (being the last business day prior to publication of this notice) the Company's issued share capital consisted of 1,020,697,238 Ordinary Shares carrying one vote each (including 74,289,137 Ordinary Shares held by the Company in treasury which do not carry any voting rights). The total number of exercisable voting rights in the Company as at 14 December 2021 was, therefore, 946,408,101.
3. The following documents, which are available for inspection at an agreed time during normal business hours at the registered office of the Company on any weekday (Saturdays, Sundays and public holidays excluded), they will also be available for inspection at the place of the AGM from 1.30 pm on the day of the AGM until the end of the meeting:
 - i. copies of the service contracts of the Executive Directors under which they are employed by the Company and the letters of appointment (and other related documents) of the Non-Executive Directors; and
 - ii. the Articles of Association of the Company.
4. Only those shareholders registered in the register of members of the Company as at 6.30 pm on 31 January 2022 (or, in the event of any adjournment, 6.30 pm on the date which is two days (excluding non-working days) before the adjourned meeting) shall be entitled to attend and/or vote at the AGM in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the register of members after 6.30 pm on 31 January 2022 (or, in the event of any adjournment, 6.30 pm on the date which is two days (excluding non-working days) before the adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the AGM.

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Company's AGM to be held on 2 February 2022 and any adjournment(s) of the AGM by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or relates to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in this notice.

For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. In accordance with the Company's established practice, all resolutions will be taken on a poll so as to accurately record the decision of all members based on their shareholding interests in the Company.
7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if more than one, they do not do so in relation to the same Ordinary Shares.
8. It is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on its website a statement setting out any matter relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM or any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the members requesting such website publication to pay its expenses in complying with sections 527 or 528 of the Act and it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on its website.
9. A copy of this notice and other information required by section 311A of the Act can be found on the Company's website (www.imperialbrandspc.com/investors/shareholder-centre/agm.html).
10. You may not use any electronic address provided either in this notice or in any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
11. Under section 338 and section 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in such business. A resolution may properly be moved or a matter may properly be included in the business of the meeting unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business of the meeting, must be authorised by the person or persons making it, must be received by the Company not later than 21 December 2021, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business of the meeting only) must be accompanied by a statement setting out the grounds for the request.

EXPLANATORY NOTES

Resolution 1 - Annual Report and Accounts

The Directors of the Company must present the Company's Annual Report and Accounts to the AGM.

Resolution 2 - Directors' Remuneration Report

In accordance with section 439 of the Act, the Company is required to present the Directors' Remuneration Report to shareholders for their approval as a means of providing shareholder feedback to the Company in respect of overall remuneration packages. The Company is required to propose the Directors' Remuneration Report (excluding the Remuneration Policy) as an advisory resolution each year. This means that, should shareholders vote against the Directors' Remuneration Report, the Directors can still be paid but the Remuneration Committee will reconsider the Directors' Remuneration Policy going forwards. The Directors' Remuneration Report can be found on pages 120 to 139 of the 2021 Annual Report and Accounts which is available on the Company's website. No changes are proposed to the Directors' Remuneration Policy approved by shareholders at the AGM held in 2021.

Resolution 3 Declaration of a dividend

A final dividend can only be paid after the shareholders at a general meeting have approved it. A final dividend of 48.48 pence per Ordinary Share is recommended by the Directors for payment to shareholders who are on the register at the close of business on 18 February 2022. If approved, the final dividend will become due and payable on 31 March 2022, bringing the total dividend for the year to 139.08 pence per Ordinary Share. In accordance with our policy of paying quarterly dividends, interim dividends of 21.06 pence per Ordinary Share were paid on 30 June 2021 and 30 September 2021 and an interim dividend of 48.48 pence per Ordinary Share will be paid on 31 December 2021.

Resolutions 4 to 13 - Election and re-election of Directors

The Company's Articles of Association and the UK Corporate Governance Code require that all Directors retire from office at each AGM and that those wishing to serve again shall submit themselves for election or re-election by the shareholders.

Brief biographies of the Directors standing for election or re-election can be found in Appendix I to this notice and on pages 96, 97 and 105 of the Annual Report and Accounts 2021 and on the Company's website. In the Board's view, these illustrate why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success. Having considered the performance of each Director seeking election or re-election, the contribution made by each of these Directors and the independence of Non-Executive Directors the Board is satisfied that the performance of each Director seeking election or re-election continues to be effective and to demonstrate commitment to the role and as such recommends their election or re-election. In reaching its recommendations the Board also considered both the individual skills and experience brought by each member and the overall skill set and diversity of the Board.

Your Directors believe Lukas, Diane and Ngozi bring the necessary skills to help drive the Group forward and will be great assets to the Board and, therefore, the Group and, recommend their election.

Resolutions 14 and 15 - Re-appointment and remuneration of Auditor

Resolution 14 is proposed for shareholders to approve Ernst & Young LLP's ("EY's") re-appointment and Resolution 15 seeks authority for the Audit Committee (on behalf of the Board) to set EY's remuneration. Further details of the external audit, including the Audit Committee's review of audit effectiveness and its recommendation to the Board for the reappointment of EY, are set out on pages 117 to 119 of the Annual Report and Accounts 2021.

Resolution 16 - Authority to make donations to political organisations and to incur political expenditure

Neither the Company nor any of its subsidiaries has any intention of making political donations or incurring any political expenditure under the terms of this resolution. The requested authority remains at the same level as approved by shareholders at the 2021 AGM. The Company confirms that no expenditure was incurred under this approval.

Part 14 of the Act, amongst other things, prohibits the Company and its subsidiaries from making donations to a political party or other political organisation or to an independent election candidate or from incurring political expenditure of more than £5,000 in any 12 month period in the United Kingdom unless authorised by the Company's shareholders.

The Act defines political organisations widely. It includes organisations which carry on activities which are capable of being reasonably regarded as intended to affect public support for a political party or an independent election candidate or to influence voters in relation to any referendum. As a result, it is possible that the definition may include bodies, such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting.

Accordingly, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the Act through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred. The resolution authorises the Company and its subsidiaries to:

- i. make political donations to political parties, or independent election candidates, not exceeding £100,000 in total;
- ii. make political donations to political organisations other than political parties, not exceeding £100,000 in total; and
- iii. incur political expenditure not exceeding £100,000 in total,

in the period commencing on the date of the resolution and ending at the conclusion of the AGM of the Company held in 2023 or, if earlier, the close of business on 31 March 2023. The overall expenditure under i, ii and iii above shall be capped at £100,000 in total.

For the purpose of this resolution the terms “political donations”, “political parties”, “independent election candidates”, “political organisations” and “political expenditure” have the meanings set out in sections 363 to 365 of the Act.

Resolution 17 - Directors' authority to allot securities

The Directors may only allot Ordinary Shares or grant rights over Ordinary Shares if authorised to do so by shareholders. The authority granted at the last AGM to allot Ordinary Shares or grant rights to subscribe for, or convert any security into, Ordinary Shares is due to expire at the conclusion of the 2022 AGM. Accordingly, this resolution seeks to grant a new authority under section 551 of the Act to authorise the Directors to allot Ordinary Shares or grant rights to subscribe for, or convert any security into, Ordinary Shares and will expire at the conclusion of the next AGM of the Company in 2023 or, if earlier, the close of business on 31 March 2023.

If passed, Resolution 17 would give the Directors authority to allot Ordinary Shares or grant rights to subscribe for, or convert any security into, Ordinary Shares up to an aggregate nominal value of £14,150,000 representing approximately 15 per cent of the Company's existing issued share capital (excluding Ordinary Shares held in treasury) and calculated as at 14 December 2021 (being the latest practicable date prior to publication of this notice).

There is no present intention of exercising this authority. However, it is considered prudent to maintain the flexibility that this authority provides. As at 14 December 2021, the Company held 74,289,137 Ordinary Shares in treasury, which represent approximately 7.8 per cent of the issued share capital (excluding Ordinary Shares held in treasury). The Directors intend to renew this authority annually.

Resolution 18 - Disapplication of pre-emption rights

Under section 561(1) of the Act, if the Directors wish to allot any shares or grant rights over shares or sell shares held in treasury for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of Ordinary Shares for cash without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights.

Resolution 18 asks shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority will be limited to the issue of Ordinary Shares for cash up to a maximum aggregate nominal value of £4,730,000 (which includes the sale on a non pre-emptive basis of any Ordinary Shares held in treasury for cash), which is equivalent to approximately 5 per cent of the Company's issued share capital as at 14 December 2021 (being the latest practicable date prior to publication of this notice). The Directors do not intend to issue more than 7.5 per cent of the issued share capital of the Company for cash on a non pre-emptive basis in any rolling three-year period without prior consultation with shareholders. Shareholders will note that this resolution also relates to Ordinary Shares held in treasury and will be proposed as a special resolution.

This resolution seeks a disapplication of the pre-emption rights on a rights issue or other pre-emptive offer so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. If given, the authority will expire at the conclusion of the next AGM of the Company in 2023 or, if earlier, the close of business on 31 March 2023. The Directors intend to renew this authority annually.

Resolution 19 - Authority to purchase own shares

In certain circumstances it may be advantageous for the Company to purchase its own Ordinary Shares and Resolution 19 seeks the authority from shareholders to continue to do so. Authority was given to the Company to make market purchases up to an aggregate of 94,600,000 of its Ordinary Shares at the AGM held on 3 February 2021 (being equal to approximately 10 per cent of the Company's issued ordinary share capital, excluding Ordinary Shares held in treasury, as at 15 December 2020, the latest practicable date prior to the publication of the notice for the AGM held on 3 February 2021). This authority is due to expire at the end of the AGM and it is proposed that the Company be authorised to make market purchases up to an aggregate of approximately 10 per cent of the Company's issued share capital, excluding Ordinary Shares held in treasury, as further described below. The Directors will exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and will be likely to promote the success of the Company for the benefit of its members as a whole. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority. Any Ordinary Shares purchased in this way will either be held in treasury or cancelled and the number of Ordinary Shares in issue reduced accordingly. If the Directors consider it appropriate to do so, the Company may hold in treasury any of its Ordinary Shares that it purchases pursuant to the Act and the authority conferred by this resolution as an alternative to cancelling them. This gives the Company the ability to reissue Ordinary Shares held in treasury quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with Ordinary Shares held in treasury. Ordinary Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under employee

share schemes. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of the Ordinary Shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the Ordinary Shares held in treasury.

The proposed authority would be limited to purchases of up to 94,600,000 Ordinary Shares which is equal to approximately 10 per cent of the Company's issued share capital, excluding Ordinary Shares held in treasury, as at 14 December 2021 (being the latest practicable date prior to publication of this notice). The resolution specifies the maximum and minimum prices at which the Company's Ordinary Shares may be bought.

The minimum price which may be paid for each Ordinary Share is 10 pence (exclusive of all expenses). The maximum price which may be paid for each Ordinary Share is the higher of the amount equal to 105 per cent of the average of the middle market prices shown in the quotations for the Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased and an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out (in each case exclusive of all expenses).

For information, as at 14 December 2021 (being the latest practicable date prior to publication of this notice) there were outstanding 9,642,000 awards and options to subscribe for Ordinary Shares, representing 1.02 per cent of the Company's issued share capital (excluding Ordinary Shares held in treasury). If both the new authority and the existing authority were exercised in full, the awards and options would represent 1.27 per cent of the Company's ordinary share capital (excluding Ordinary Shares held in treasury).

Resolution 19 will be proposed as a special resolution to provide the Company with the necessary authority. If given, this authority will expire at the conclusion of the next AGM of the Company in 2023 or, if earlier, the close of business on 31 March 2023. The Directors intend to seek renewal of this authority annually.

Resolution 20 - Authority to hold general meetings (other than annual general meetings) on 14 clear days' notice

The notice period required by the Act for general meetings of the Company is 21 clear days unless shareholders approve a shorter period which cannot, however, be less than 14 clear days. AGMs must always be held on at least 21 clear days' notice. At the AGM held on 3 February 2021, shareholders authorised the calling of general meetings other than an AGM on not less than 14 clear days' notice, and it is proposed that this authority be renewed. The authority granted by Resolution 20, if passed, will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. Resolution 20 seeks the approval of shareholders to renew the authority to be able to call general meetings (other than an AGM) on 14 clear days' notice. The flexibility offered by Resolution 20 will only be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business of the meeting and in the interests of the Company and shareholders as a whole.

APPENDIX 1



1. THÉRÈSE ESPERDY CHAIR

Appointment

Appointed Chair in January 2020, having previously served as Senior Independent Director since May 2019. Thérèse joined the Board in July 2016.

Skills and experience

Thérèse has significant international investment banking experience having held a number of roles at JP Morgan including Global Chair of JP Morgan's Financial Institutions Group, Co-Head of Asia-Pacific Corporate & Investment Banking, Global Head of Debt Capital Markets, and Head of US Debt Capital Markets. She began her career at Lehman Brothers and joined Chase Securities in 1997 prior to the firm's merger with JP Morgan in 2000.

External appointments

Non-Executive Director and Chair of the Finance Committee of National Grid Plc¹; Non-Executive Director of Moody's Corporation¹.



6. ALAN JOHNSON NON-EXECUTIVE DIRECTOR

Appointment

Appointed Non-Executive Director in January 2021.

Skills and experience

Alan has a strong financial background in consumer goods and retail, having held a number of senior finance positions at Unilever during a 30-year career, including Chief Audit Executive and Chief Financial Officer of the Global Foods Division. He was previously Chief Financial Officer and then a Non-Executive Director at food retailer Jerónimo Martins, SGPS, SA until April 2016.

External appointments

President and Chair of the Board of the International Federation of Accountants and a member of the Board and Chair of the Audit Committee of the International Valuation Standards Council. Alan is also a Non-Executive Director of William Grant & Sons Ltd².

Committee membership



Succession and Nominations Committee



Audit Committee



Remuneration Committee



Committee Chair

1. Public listed company.

2. Private organisation.

2. STEFAN BOMHARD CHIEF EXECUTIVE OFFICER

Appointment

Appointed to the Board as Chief Executive Officer in July 2020.

Skills and experience

Stefan joined Imperial in July 2020 from Inchcape plc, a global distribution and retail leader in the premium and luxury automotive sectors, where he delivered successful transformational change during a five-year tenure as Chief Executive.

Prior to his role at Inchcape, Stefan was President of Bacardi Limited's European region and was also responsible for Bacardi's Global commercial organisation and Global Travel Retail.

Stefan has a PhD in marketing and has accrued significant experience in the consumer and retail sectors during his career. Previous roles have included Chief Commercial Officer of Cadbury plc and Chief Operating Officer of Unilever Food Solutions Europe. This followed senior management and sales and marketing positions at Diageo (Burger King) and Procter & Gamble.

External appointments

Non-Executive Director of Compass Group PLC¹.



7. ROBERT (BOB) KUNZE-CONCEWITZ NON-EXECUTIVE DIRECTOR

Appointment

Appointed Non-Executive Director in November 2020.

Skills and experience

Bob is an experienced marketing professional and has held a number of senior roles at leading FMCG companies. He has been Chief Executive Officer at Campari Group, a major player in the global spirits industry, since May 2007 having joined the business in 2005 as Group Marketing Director. Prior to his time at Campari Group, he held positions of increasing responsibility at Procter & Gamble, including Global Prestige Products Corporate Marketing Director.

External appointments

Chief Executive Officer of Campari Group¹ and a Non-Executive Director of Luigi Lavazza S.p.A.²

3. LUKAS PARAVICINI CHIEF FINANCIAL OFFICER

Appointment

Appointed to the Board of Directors on 1 May 2021 and appointed Chief Financial Officer on 19 May 2021.

Skills and experience

Lukas has a proven track record in international consumer goods companies. Beyond his finance credentials, he has considerable operational experience as well as expertise in driving transformational change including in global shared services in large international organisations. Lukas joined Imperial from agricultural commodities and brokerage group ED&F Man Holdings, where he was Chief Financial Officer. He has also held senior positions at Fonterra, a New Zealand and Australia listed co-operative and the world's largest dairy exporter, with sales in 130 countries. He was Chief Financial Officer from 2013-2017 and Chief Operating Officer, Global Consumer and Foodservice Business from 2017-2018. Prior to that, he spent 22 years with Nestlé in various senior finance and general management roles.

External appointments

No external Director appointments.



8. SIMON LANGELIER NON-EXECUTIVE DIRECTOR

Appointment

Appointed Non-Executive Director in June 2017.

Skills and experience

Simon has significant international experience within the tobacco industry. He held a number of senior commercial positions during a 30-year career with Philip Morris International, including in Latin America, Asia, Western and Eastern Europe, Middle East and Africa. In addition, he was President of their Next Generation Products & Adjacent Businesses. Simon was also Chairman of PharmaCielo Limited, an international medicinal cannabis business, for almost six years.

External appointments

Patron and Honorary Professorial Fellow at Lancaster University, and a member of the Dean's Council of the University's Management School².



4. SUE CLARK SENIOR INDEPENDENT DIRECTOR

Appointment

Appointed Non-Executive Director in December 2018, Chair of the Remuneration Committee in February 2019 and Senior Independent Director in January 2020.

Skills and experience

Sue has strong international business credentials with over 20 years' Executive Committee and Board level experience in the FMCG, regulated transport and utility sectors. Sue held the role of Managing Director of SABMiller Europe and was an Executive Committee member of SABMiller plc. She joined SABMiller in 2003 as Corporate Affairs Director and was part of the executive team that built the business into a top five FTSE company.

External appointments

Non-Executive Director and Chair of the Remuneration Committee of Britvic plc¹; a Non-Executive Director of Tulchan Communications LLP²; and a Non-Executive Director and member of the Audit, Nominations and Remuneration Committees of Mondi plc¹.



9. DIANE DE SAINT VICTOR NON-EXECUTIVE DIRECTOR

Appointment

Appointed Non-Executive Director in November 2021.

Skills and experience

Diane has strong legal, regulatory and ESG experience, having held a number of General Counsel, Company Secretary and other key roles in an international career. Her 13-year tenure as General Counsel & Company Secretary for ABB, the global technology company based in Switzerland, and her General Counsel role at Airbus before that are reinforced by her prior listed UK Board experience as a Non-Executive Director at Barclays plc. Diane also previously served as Vice President Government Relations, Europe at Honeywell International Inc. and as part of the US Government Relations Team in Washington for General Electric Company.

External appointments

Diane is a Non-Executive Director at Transocean Ltd, Natixis S.A. and C&A.



5. NGOZI EDOZIEN NON-EXECUTIVE DIRECTOR

Appointment

Appointed Non-Executive Director in November 2021.

Skills and experience

Ngozi has over 30 years' experience in general management, finance, consultancy, business development and transformation gained at multinational companies, including in consumer goods, in Europe, USA and Africa. She spent six years on the Board of PZ Cussons and four years on the Board of Vlisco PLC. During a nine-year career with Pfizer Inc., she led strategy and planning for Pharmaceuticals, based in New York, before taking up a Regional Director role in Africa.

External appointments

Ngozi is a Non-Executive Director of Guinness Nigeria, a listed subsidiary of Diageo, Stanbic IBTC Holdings PLC and Barloworld Ltd. She is also Founder and Managing Director of Invivo Partners Limited.



10. JON STANTON NON-EXECUTIVE DIRECTOR

Appointment

Appointed Non-Executive Director in May 2019 and Chair of the Audit Committee in June 2020.

Skills and experience

Jon has a wide range of international leadership experience, encompassing transformation, M&A and all aspects of finance, principally in the B2B sector.

In 2016 he was appointed Chief Executive of The Weir Group PLC, one of the world's leading engineering businesses, having previously been CFO from 2010. Prior to that he spent 22 years at Ernst & Young LLP, the last nine years of which were as a partner in its London office.

Jon is a Chartered Accountant and member of the ICAEW.

External appointments

Chief Executive of The Weir Group PLC¹.

