

**MODIFICATION AGREEMENT
CONCERNING ELIGIBILITY OF NEW MEMBER STATES FOR
SUPPLEMENTAL PAYMENTS AND RELATED MATTERS
dated as of**

[], 2012

to

**ANTI-CONTRABAND AND ANTI-COUNTERFEIT
AGREEMENT AND GENERAL RELEASE**

dated as of

July 9, 2004

among

**PHILIP MORRIS INTERNATIONAL INC.,
PHILIP MORRIS PRODUCTS INC.,
PHILIP MORRIS DUTY FREE INC., and
PHILIP MORRIS WORLD TRADE SARL**

**THE EUROPEAN COMMUNITY
REPRESENTED BY THE EUROPEAN COMMISSION**

AND

**EACH MEMBER STATE LISTED ON
THE SIGNATURE PAGES THERETO**

This Modification Agreement Concerning Eligibility of New Member States for Supplemental Payments and Related Matters (the **Modification Agreement**) is made between Philip Morris International Inc., PMPI LLC (as successor to Philip Morris Products Inc.), Philip Morris World Trade SARL (collectively "Philip Morris International"), Philip Morris Duty Free Inc., an affiliate of Altria Group, Inc., the European Union represented by the European Commission and each Member State of the European Union party to the Cooperation Agreement dated 9 July 2004 (the **Cooperation Agreement**) (together, the **Parties**).

The Parties hereby agree as follows:

Article 1. Amendments.

The following amendments shall be made to the Cooperation Agreement:

ARTICLE 1
DEFINITIONS

1. The definition of "**Baseline Amount**" is amended by
 - (a) replacing the phrase "90 million Cigarettes" with the phrase "450 million Philip Morris Cigarettes";
 - (b) striking the words "which is half of the total combined Contraband Philip Morris Cigarettes seized by the Member States who were Member States on January 1, 2004, during the calendar years ended December 31, 2001 , and December 31, 2002";
 - (c) striking the phrase "(s) and" so that the the final sentence of the definition reads "The Baseline Amount may be amended pursuant to Section 4.01(t) of this Agreement".

ARTICLE 4
ANTI-CONTRABAND AND ANTI-COUNTERFEIT COOPERATION

1. Clause (ii) of Section 4.01(f) is amended to delete the phrase "that were Member States on January 1, 2004."
2. Clause (ii) of Section 4.01(g) is amended to delete the phrase "that were Member States on January 1, 2004."
3. Sections 4.01(o), (p), (q), and (s) are stricken in their entirety.
4. A new Section 4.01(tt) is added:

“If, in any calendar year, seizures in New Member States that qualify for Supplemental Payments under subsections (f) and (g) above are higher than a multiple of the annual average of all New Member State seizures of Philip Morris Cigarettes between 2008 and 2011, Philip Morris International and the EC shall meet as soon as practicable to discuss the adoption of appropriate measures to ensure the continued functioning of the Agreement, including, if necessary, the amendment or suspension of Philip Morris International’s obligations under Article 4 with respect to New Member States.”

Article 2. Effective date.

This Modification Agreement shall come into effect the day the signature pages of all Parties are exchanged between Philip Morris International, Philip Morris Duty Free, Inc. and the Relevant Administrations. Upon entry into effect, the Parties shall apply this Modification Agreement retroactively to 1 July 2012 for all purposes, including seizures that occur on or after 1 July 2012 and qualification under the new baseline amount, which shall be deemed modified as of 1 July 2012.

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be duly executed by their respective authorized officers as of the effective date of this Modification Agreement.

European Union

The European Commission hereby executes, on behalf of the European Union, this **Modification Agreement Concerning Eligibility of New Member States for Supplemental Payments and Related Matters** as an amendment to the Anti-Contraband and Anti-Counterfeit Agreement and General Release dated July 9, 2004 and has the full right and authority to do so.

The execution and performance of this Modification Agreement by the European Commission is within its powers and has been duly authorised by all necessary action on its part.

This Modification Agreement constitutes a valid and binding agreement of the European Union and is enforceable in accordance with its terms.

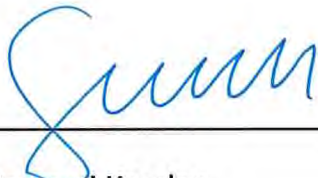


8/b Luis Romero Requena

Director-General

Legal Service

European Commission



Giovanni Kessler

Director-General

European Anti-Fraud Office

European Commission

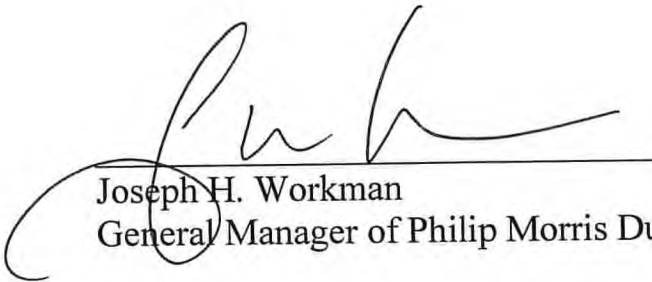
Date: 25 July 2014

Philip Morris Duty Free, Inc.

The General Manager of Philip Morris Duty Free, Inc. hereby executes this **Modification Agreement Concerning Eligibility of New Member States for Supplemental Payments and Related Matters** as an amendment to the Anti-Contraband and Anti-Counterfeiting Agreement and General Release dated July 9, 2004, on behalf of Philip Morris Duty Free, Inc. and has the full right and authority to do so.

The execution and performance of this Modification Agreement by the General Manager of Philip Morris Duty Free, Inc. is within the powers duly granted to him.

This Modification Agreement constitutes a valid and binding agreement of Philip Morris Duty Free, Inc. and is enforceable in accordance with its terms.



Joseph H. Workman
General Manager of Philip Morris Duty Free, Inc.

Date: 10.30.13



PHILIP MORRIS INTERNATIONAL INC.

As an authorized signatory of Philip Morris International Inc. I hereby execute this **Modification Agreement Concerning Eligibility of New Member States for Supplemental Payments and Related Matters** as an amendment to the Anti-Contraband and Anti-Counterfeiting Agreement and General Release dated July 9, 2004, on behalf of Philip Morris International Inc. and have the full right and authority to do so.

The execution and performance of this Modification Agreement by the signatory of Philip Morris International Inc. is within the powers duly granted to him.

This Modification Agreement constitutes a valid and binding agreement of Philip Morris International Inc. and is enforceable in accordance with its terms.

Name: Artyom CHERNIS

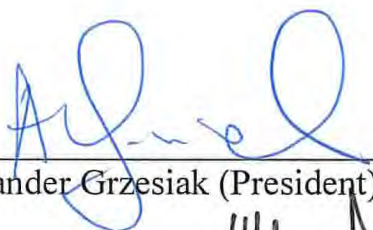
Date: 14 OCT. 2014

Philip Morris World Trade SARL

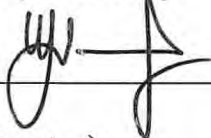
As an authorized signatory of Philip Morris World Trade SARL I hereby execute this **Modification Agreement Concerning Eligibility of New Member States for Supplemental Payments and Related Matters** as an amendment to the Anti-Contraband and Anti-Counterfeiting Agreement and General Release dated July 9, 2004, on behalf of Philip Morris World Trade SARL and have the full right and authority to do so.

The execution and performance of this Modification Agreement by the signatories of Philip Morris World Trade SARL is within the powers duly granted to them.

This Modification Agreement constitutes a valid and binding agreement of Philip Morris World Trade SARL and is enforceable in accordance with its terms.



Aleksander Grzesiak (President)



Che Yee, Voong (Director)

Date: 14 OCT. 2014



PHILIP MORRIS GLOBAL BRANDS INC.

Philip Morris Global Brands Inc.

As an authorized signatory of Philip Morris Global Brands Inc. (formerly, PMPI LLC), I hereby execute this **Modification Agreement Concerning Eligibility of New Member States for Supplemental Payments and Related Matters** as an amendment to the Anti-Contraband and Anti-Counterfeiting Agreement and General Release dated July 9, 2004, on behalf of Philip Morris Global Brands Inc., and have the full right and authority to do so.

The execution and performance of this Modification Agreement by the signatory of Philip Morris Global Brands Inc. is within the powers duly granted to said signatory.

This Modification Agreement constitutes a valid and binding agreement of Philip Morris Global Brands Inc. and is enforceable in accordance with its terms.

Ann Marie Kaczorowski

Ann Marie Kaczorowski

Vice President, Treasurer & Secretary

Date: October 14, 2014