Participation in Business and Trade Associations.

We belong to many carefully selected business and trade associations around the world. We work with these groups because they represent our industry and the larger business community in policy discussions on issues where we have a common interest or objective.

Our support to these organizations and groups complies with applicable laws and our own principles and practices, and we routinely evaluate our participation to ensure that the groups’ objectives align with the long-term interests of PMI and its shareholders, and that their activities continue to reflect PMI’s values and high standards of conduct. There are times when we may not agree with certain positions adopted by the organizations we support. In these instances, we may choose to withdraw our participation or support.

Advance approval is required before PMI or its affiliates become a member of, or renew a membership in, any organization that has a connection with government officials or political activity in the U.S. We also prohibit our membership dues or other contributions made in the U.S. to be used for political campaign-related activities.

PMI’s Law and Compliance Department monitors, and our Corporate Audit Department audits, compliance with our internal principles and practices and our General Counsel and heads of our Compliance and Corporate Audit Departments regularly report to the Audit Committee of PMI’s Board of Directors on compliance matters. We have also implemented periodic review and approval of our political and trade association expenditures by the Board’s Nominating and Corporate Governance Committee.

See below for the list of business and trade associations in which PMI held a leadership role during 2016 by serving on the Board of Directors or Executive Committee of that organization, along with the top 10 memberships paid in 2016.
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<th>Organization</th>
<th>Location/Region</th>
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<tr>
<td>Aegean Exporters Association (Turkey)</td>
<td>Foreign Investors Council, Economic Chamber of Macedonia</td>
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<td>Aegean Region Chamber of Industry (Turkey)</td>
<td>Foreign Investors Council in Croatia</td>
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<td>Alliance Of Australian Retailers</td>
<td>Foundation “Elimination of Child Labor in Tobacco Farming”</td>
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<td>American Chamber of Commerce in Albania</td>
<td>Foundation Taskforce “Minimum Age Compliance Tobacco” (Netherlands)</td>
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<td>American Chamber of Commerce in Germany</td>
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<td>American Chamber of Commerce in Indonesia</td>
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<td>American Chamber of Commerce in Italy</td>
<td>International Advertisers Association (Serbia)</td>
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<td>American Chamber of Commerce in Kosovo</td>
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<td>American Chamber of Commerce in Lithuania</td>
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<td>American Chamber of Commerce in Malaysia</td>
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<td>Association of Russian Corporate Media (Russia)</td>
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<td>Brand Protection Group (Brazil)</td>
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<td>The Union of Tobacco Industry in the state of Bahia (Brazil)</td>
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<td>Food Chamber of Slovakia</td>
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