

## Compensation and Leadership Development Committee Charter

### **Membership**

The Compensation and Leadership Development Committee (the “Committee”) of the Board of Directors (the “Board”) of Philip Morris International Inc. (the “Company”) shall consist entirely of directors who the Board determines (i) are “independent” in accordance with New York Stock Exchange listing standards, (ii) are “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (iii) satisfy the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code. In determining the independence of any director who shall serve on the Committee, the Board shall consider all factors specifically relevant to determining whether a director has a relationship to the Company that is material to that director’s ability to be independent from management in connection with the duties of a Committee member, including but not limited to:

1. the source of the director’s compensation, including any consulting, advisory or other compensatory fee paid by the Company to such director; and
2. whether a director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

Based on the recommendation of the Nominating and Corporate Governance Committee, the Board annually shall elect the members and the Chair of the Committee at its organizational meeting following the Annual Meeting of Stockholders. The members of the Committee may be removed by the Board.

### **Purpose, Authority and Responsibilities**

The purpose of the Committee shall be to discharge the Board’s responsibilities relating to executive compensation, to produce an annual compensation committee report to be included in the Company’s proxy statement in accordance with applicable rules and regulations of the Securities and Exchange Commission (“SEC”), and to review the succession plans for the chief executive officer and other senior executives.

In the furtherance of this purpose, the Committee shall have the following authority and responsibilities:

- to review and approve the Company’s overall compensation philosophy and design;
- to review and approve corporate goals and objectives relevant to the compensation of the chief executive officer, to evaluate the performance of the chief executive officer in light of these goals and objectives, and determine and approve the compensation of the chief executive officer based on this evaluation;
- to review and approve compensation of all executive officers;
- to make recommendations to the Board with respect to incentive compensation plans and equity- based plans that are subject to Board approval, to administer and make awards under such plans and to review the cumulative effect of its actions;

- to monitor compliance by executives with the Company's stock ownership guidelines;
- to review and assist with the development of executive succession plans, to evaluate and make recommendations to the Board regarding potential candidates to become chief executive officer, and to evaluate and approve candidates to fill other senior executive positions;
- to review the Company's policies and procedures with respect to the risks related to talent management;
- to review and discuss with management the Company's disclosures to be included in the Company's annual proxy statement and annual report on Form 10-K regarding executive compensation matters, including the Company's disclosures under "Compensation Discussion and Analysis" ("CD&A") and narrative descriptions of the Committee's procedures for determining executive compensation;
- to recommend to the Board whether the Company's CD&A should be accepted for inclusion in the Company's annual proxy statement and annual report on Form 10-K;
- to prepare a report of the Compensation Committee to stockholders to be included in the Company's annual proxy statement as required by the SEC;
- to evaluate the Committee's performance at least annually and report to the Board on such evaluation;
- to monitor risks relating to compensation design and payouts;
- to periodically review and assess the adequacy of this charter and recommend any proposed changes to the Board for approval, including changes concerning the structure and operations of the Committee; and
- to perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate.

### **Procedures**

The Committee shall meet as often as it deems is appropriate to carry out its responsibilities. A majority of the members of the Committee shall constitute a quorum. The Chair of the Committee, in consultation with the other Committee members, shall set meeting agendas. The Committee shall report its actions and recommendations to the Board.

The Committee shall have the authority in its sole discretion to retain and terminate any compensation consultants, legal counsel and any other advisers as the Committee may deem appropriate, including sole authority to approve the fees and other retention terms of any consultants, counsel or other advisers that it retains. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel and other adviser retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee.

Before selecting a compensation consultant, legal counsel or other adviser (other than in-house legal counsel or compensation consultants covered by the exception in Item 407(e) (3) (iii) of

SEC Regulation S-K), the Committee shall consider all factors relative to such person's independence from management, including the following:

- the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;
- the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation consultant, legal counsel, or other adviser with a member of the Committee;
- any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems appropriate.