FINAL GRANT AGREEMENT AND TERMINATION OF SECOND AMENDED AND
RESTATE PLEDGE AGREEMENT

THIS FINAL GRANT AGREEMENT AND TERMINATION OF SECOND AMENDED AND RESTATED PLEDGE AGREEMENT (the “Agreement”) is made effective as of September 29, 2023 (the “Effective Date”), by and between PMI GLOBAL SERVICES INC., a Delaware corporation (“Grantor”), and FOUNDATION FOR A SMOKE-FREE-WORLD, INC., a non-profit, non-stock Delaware corporation (“Grantee” and together with the Grantor, collectively, the “Parties” and each, a “Party”).

WHEREAS, Grantee was established on September 8, 2017 exclusively for charitable, scientific, and educational purposes, as fully described in Article Third of Grantee’s certificate of incorporation (the “Certificate of Incorporation”), and adopted its First Amended and Restated Bylaws on September 19, 2017; and

WHEREAS, Grantee adopted its Second Amended and Restated Bylaws on September 17, 2020 (the “Bylaws”); and

WHEREAS, “Charitable Purpose” as used in the Agreement shall mean solely those purposes set forth in the Appendix to the Agreement, which are the purposes set forth in Grantee’s Certificate of Incorporation, Article Third, and Grantee’s Bylaws, Article IX, paragraph A, as of the Effective Date (and for the avoidance of doubt, irrespective of any future amendment to the Certificate of Incorporation or the Bylaws); and

WHEREAS, Grantor and Grantee are parties to the certain Second Amended and Restated Pledge Agreement, dated as of December 12, 2022 (“Pledge Agreement”), pursuant to which Grantor pledged certain funds to be used by the Grantee exclusively as set forth in the Pledge Agreement; and

WHEREAS, since its inception, Grantee has operated and continues to operate, independently of any control by Grantor; and

WHEREAS, the Grantor made a USD 17.5 million payment to the Grantee on July 31, 2023, in anticipation of the finalization of the Grant Agreement, and now wishes to provide Grantee with an additional and final payment in the amount of USD 122.5 million for a total of $140 million (collectively, the “Final Grant and Termination Payment”), which shall be made as set forth in the Agreement and in full satisfaction of any amounts that may be due under the Pledge Agreement, which is hereby terminated.

NOW, THEREFORE, Grantor and Grantee agree as follows:

1. Use of Grant Funds. All Grant funds provided by Grantor to Grantee hereunder and all funds previously provided by Grantor to Grantee under the Pledge Agreement, including any interest and other income earned thereon (collectively, the “Grant Funds”), shall be expended or utilized by Grantee solely in accordance with and in furtherance of the Charitable Purpose, which Charitable Purpose shall be interpreted and implemented at all times to ensure that it is a charitable purpose within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended. For avoidance of doubt, Charitable Purpose includes operating
expenses related to the use of the Grant Funds consistent with the Grantor’s legal obligations under the US. Internal Revenue Code.

2. **Grant Payment.** The Grantor shall transfer the final payment of USD 122.5 million to the Grantee on the Effective Date of the Agreement.

3. **Reporting.** For so long as Grantee retains any Grant Funds, Grantee shall publish on its website or otherwise make publicly available an annual report (the “Annual Report”) generally describing its activities and operations in furtherance of the Charitable Purpose.

4. **Independence.** Grantee is independent from, and unaffiliated with, Grantor and any of Grantor’s affiliates, employees, or agents, and nothing in the Agreement creates an agency, partnership, or joint venture relationship between the Parties. Grantee shall continue to maintain full independence from Grantor and Grantor’s affiliates, employees and agents and shall make all decisions with respect to the utilization of Grant Funds for the Charitable Purpose on its own, free from the control, instructions, or influence, from or by Grantor or any of its affiliates, employees, or agents.

5. **Communications.** Consistent with the fully independent nature of the Parties, neither Party shall speak or act on behalf of the other Party. Neither Party shall be liable to the other Party for the other Party’s public statements.

6. **Compliance with Law.** The Parties shall comply with all applicable laws, rules, regulations, and orders of the United States and any state or other jurisdiction that governs the Parties’ obligations under the Agreement.

7. **Termination and Release.** (a) Upon the Effective Date, the Parties agree that the Pledge Agreement is terminated and of no further force and effect; (b) Upon the Effective Date, Grantee hereby forever releases and discharges Grantor, each of its affiliates, each of their respective equity holders, investors, guarantors, principals, professionals, advisors, attorneys, agents, servants, employees, officers, directors, managers, and insurers, and any successor or successors in interest and assigns of any of the foregoing (collectively, the “PMI Released Persons”), from any and all claims, counterclaims, demands, debts, accounts, contracts, disputes, liabilities, liens, refunds, damages, causes of action, choses in action, actions, allegations, suits, controversies, proceedings, rights of recovery, rights of setoff, rights of recoupment, deductions, rights of indemnity or contribution and other similar rights of any kind, nature or description arising in law or equity or upon contract or tort or under any state or federal law or regulation or otherwise, whether known or unknown, foreseen or unforeseen, matured or unmatured, accrued or contingent, unliquidated or liquidated, or whether direct or indirect, including direct claims for indemnification or contribution, regardless of whether such rights are currently exercisable, that Grantee ever had, now has, or may have against any PMI Released Person for or in connection with any event, conduct, or circumstance occurring up to and including the Effective Date, including without limitation regarding or arising from the Pledge Agreement (collectively, the “PMI Released Claims”); (c) Upon the Effective Date, Grantor hereby forever releases and discharges Grantee, each of its affiliates, each of their respective guarantors, principals, professionals, advisors, attorneys, agents, servants, employees, officers, directors, managers, insurers, Professional Employer Organizations, and any successor or successors in interest and
assigns of any of the foregoing (collectively, the “FSFW Released Persons”), from any and all claims, counterclaims, demands, debts, accounts, contracts, disputes, liabilities, liens, refunds, damages, causes of action, choses in action, actions, allegations, suits, controversies, proceedings, rights of recovery, rights of setoff, rights of recoupment, deductions, rights of indemnity or contribution and other similar rights of any kind, nature or description arising in law or equity or upon contract or tort or under any state or federal law or regulation or otherwise. whether known or unknown, foreseen or unforeseen, matured or unmatured, accrued or contingent, unliquidated or liquidated, or whether direct or indirect, including direct claims for indemnification or contribution, regardless of whether such rights are currently exercisable, that Grantor ever had, now has, or may have against any FSFW Released Person for or in connection with any event, conduct, or circumstance occurring up to and including the Effective Date, including without limitation regarding or arising from the Pledge Agreement (collectively, the “FSFW Released Claims”).

8. Waiver of Statutory Limitations on Release. With respect to any and all PMI Released Claims and FSFW Released Claims, the Parties hereby stipulate and agree that they expressly waive, relinquish, and release any and all provisions, rights, and benefits conferred by or under California Civil Code § 1542 or any law or principle of common law of the United States or any state or territory of the United States which is similar, comparable or equivalent to California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties acknowledges that they may discover facts in addition to or different from those now known or believed to be true with respect to the PMI Released Claims and the FSFW Released Claims, but that it is the intention of Parties to completely, fully, finally, and forever extinguish any and all of their respective Released Claims, known or unknown, suspected or unsuspected, which now exist, heretofore existed or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Parties acknowledge that this waiver and the inclusion of “whether or not now known or unknown” in the definition of “Released Claims” was separately bargained for and was a material element of the covenants contemplated hereunder and was relied upon by each and all of the Parties in entering into the Agreement.

9. Assignment; Binding Effect. Grantee may not assign its right or obligations under this Agreement without the prior written consent of Grantor, which shall not be unreasonably withheld, conditioned, or delayed. This Agreement shall be applicable to and binding upon the Parties hereto and their respective heirs, permitted assigns, and successors in interest.

10. Entire Agreement. The Agreement constitutes the complete express agreement of the Parties hereto concerning the subject matter hereof.
11. **Modification or Waiver to Agreement.** Any amendment to the Agreement, or waiver of any provision hereof, must be in a writing signed by duly authorized representatives of the Party against which enforcement of the modification or waiver is sought, and stating the intent of said Party to amend the Agreement, or waive the particular item(s) at issue.

12. **Severability.** Should any part, term, or provision of the Agreement be declared or determined by any court or other tribunal of appropriate jurisdiction to be invalid or unenforceable, any such invalid or unenforceable part, term, or provision shall be deemed stricken and severed from the Agreement only to the extent necessary to make such part, term, or provision lawful and enforceable and any and all of the other terms of the Agreement shall remain in full force and effect to the fullest extent permitted by law.

13. **Governing Law; Venue.** The Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to such state’s choice of law provisions that would require the application of the law of any other jurisdiction. By its execution and delivery of the Agreement, each of the Parties irrevocably and unconditionally agrees for itself that any legal action, suit, or proceeding against it with respect to any matter arising under, arising out of, or in connection with the Agreement or for recognition or enforcement of any judgment rendered in any such action, suit, or proceeding, shall be brought in the state or federal courts located in the State of Delaware, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding and waives any defense of *forum non conveniens.*

14. **Counterparts.** The Agreement may be executed in two or more identical counterparts (all of which together shall constitute one and the same document), any of which may be transmitted by facsimile or email (including e-mail which contains a portable document format (.pdf) file of an executed signature page), or other electronic transmission method, and that signatures created or transmitted by electronic means, including DocuSign (or any other signature complying with the federal ESIGN Act of 2000 or any applicable Uniform Electronic Transactions Act or Electronic Signatures and Records Act), PDF or JPEG, shall constitute original signatures, shall be deemed to have been duly and validly created and delivered, and shall be valid, effective, and binding for all purposes when counterparts have been signed by each Party and delivered to the other Party.

15. **Headings.** The headings used in the Agreement are for convenience only and shall not be used to limit or construe the contents of any of the sections of the Agreement. The terms and conditions set forth in the Agreement are the product of joint draftsmanship by all Parties, each being represented by counsel, and any ambiguities in the Agreement or any documentation prepared pursuant to or in connection with the Agreement shall not be construed against any of the Parties because of draftsmanship.

16. **Notice.** All notices pursuant to the Agreement must be in writing and will be deemed given (a) on the date of delivery by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (return receipt requested); (c) on the fifth business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid; or (d) on the day such notice or communication is sent electronically provided that the sender has received a confirmation of
such electronic transmission. Notices shall be addressed to the following authorized representative of each Party or as otherwise notified by one Party to the other Party in accordance with this Section:

PMI Global Services Inc.
677 Washington Boulevard
Stamford, CT 06901
Attention: Steven B. Rissman, Vice President and Associate General Counsel,
Steve.Rissman@pmi.com; Jodi Kalagher, Assistant General Counsel, Jodi.Kalagher@pmi.com

Foundation for a Smoke-Free World, Inc.
420 Lexington Ave., Suite 300
New York, New York 10170
Attention: Heidi Goldstein, Executive Vice President, Chief Legal Officer,
Heidi.Goldstein@smokefreeworld.org
IN WITNESS WHEREOF, the Parties hereto have caused the Agreement to be duly executed by their respective authorized officers as of the Effective Date.

FOUNDATION FOR A SMOKE FREE WORLD, INC.

By: [Signature]
Name: Pamela J. Popiele
Title: Board Chair, Foundation for a Smoke Free World, Inc.

PMI GLOBAL SERVICES INC.

By: [Signature]
Name: Ann Marie Kaczorowski
Title: Vice President
Appendix

Definition of Charitable Purpose

Certificate of Incorporation, Article Third

The Corporation is organized and shall be operated exclusively for charitable, scientific and educational purposes within the meaning of section 501(c)(3) of the Code, including, without limitation, to support independent scientific research free from the influence of any commercial entity that may be affected by the research outcome. In furtherance thereof, but without limitation thereon, the Corporation shall hold, invest and administer assets received as charitable gifts, bequests and contributions and use such assets or the income therefrom to (i) make grants and other distributions to academic, health-related, research and science centers and institutions and other collaborating centers and institutions, and to scientists and health-related experts, to support research and projects regarding alternatives to cigarettes and other combustible tobacco products and how to best achieve a smoke-free world and advance the field of tobacco harm reduction; (ii) fund global research initiatives and publish reports regarding, among other things, the attitudes and opinions of the general public towards tobacco harm reduction; (iii) fund scientific verification studies to assess the impact of smoke-free and reduced risk products on public health outcomes and how such products affect the general population; (iv) scrutinize, comment on, and inform the general public regarding the activities of the tobacco industry, other commercial entities and other stakeholders which may have an impact, either positive or negative, on achieving a smoke-free world and advancing the field of tobacco harm reduction; (v) research the effect of the reduced demand for leaf tobacco on farmers and other stakeholders and explore and promote sustainable agricultural and nutritional alternatives for tobacco farmers, tobacco land and other stakeholders; (vi) research sustainability issues and solutions related to the management of smoke-free and reduced risk products-related waste materials; and (vii) conduct global conferences, forums, panels and similar programs to focus on the evolving science regarding alternatives to cigarettes and other combustible tobacco products and how to best realize a smoke-free world.

Second Amended and Restated Bylaws, Article IX, Para A.

Independent Research Agenda: The goal of the Corporation is to promote and support significant scientific research that advances the field of tobacco harm reduction and reduces the public health burden of smoking-related diseases. The Corporation shall not take into account the potential impact of that research on the image of the tobacco industry or any other industry or commercial entity. The Corporation's research program shall be guided by experienced researchers, scientists and policy experts in accordance with the Corporation's objects and purposes. The Corporation shall make best efforts to keep abreast of relevant published research, and ensure that any research it conducts or funds is either non-duplicative and novel, focused on scientific and regulatory gaps, or otherwise in furtherance of its purposes as set forth in Article Third of its Certificate of Incorporation and in this Article IX(A) of these Bylaws. The Corporation shall review past models of funding tobacco control research and identify the feasibility of incorporating additional independence and transparency elements, or other best practices, into the process for screening, reviewing and awarding grants and other distributions in furtherance of the Corporation's objects and purposes.