

Foundation for a Smoke-Free World, Inc.

Minutes of a Special Meeting of the Board of Directors

June 21, 2018

A meeting of the board of directors (the “*Board*”) of Foundation for a Smoke-Free World, Inc., a Delaware Foundation (the “*Foundation*”), was held by telephone on June 21, 2018.

The following directors participated:

Dyborn Chibonga
Zoe Feldman
Lisa Gable
Andrew MacLeod
Pamela Parizek
Martin Skancke
Derek Yach

The following Foundation staff participated:

Tom Harding, Chief Administrative Officer and Chief Financial Officer
Heather Majewski, Vice President, Global Services
Farhad Riahi, Chief Health, Science and Technology Officer
Mica Wilson, Vice President, Marketing and Communications
Elizabeth A. Smith, Secretary

The following legal counsel participated:

Edward J. Beckwith and Naomi Meisels, both of Baker & Hostetler LLP

Ms. Gable chaired the meeting. She called the meeting to order at 9:30 AM EDT. Ms. Smith confirmed that Notice of the meeting had been duly given and that a quorum was present.

Opening Remarks

The Chair welcomed everyone and expressed her appreciation and gratitude to Mr. Skancke and Dr. Riahi for their hard work and diligence preparing the Foundation’s strategic plan that would be presented to the Board later in the meeting. The Chair then reported the Foundation had received a favorable ruling from the IRS. As requested, the IRS recognized the Foundation as a tax-exempt charity characterized as a private foundation for U.S. federal tax purposes as of September 8, 2017, the date of the Foundation’s incorporation. The Chair thanked the President and the Foundation’s counselors for their work in getting this important recognition from the IRS. The Chair then informed everyone that Michael Sagner had resigned from the Board and is no longer a director due to his other substantial time commitments. The Chair suggested that the Board begin to identify a well-qualified individual with medical credentials to serve on the Board. Finally, the Chair informed the Board that she had recently accepted the CEO position at a leading

food allergy foundation. Given the significant responsibilities and time commitments of this new position, she announced her intention to remain on the Board but to step down as Chair at the November 2018 Board meeting. To ensure a smooth transition process, the Chair recommended that Mr. MacLeod, who has significant board and communications experience, assume the position of Vice Chair with the formal process of transition to begin after the September 6, 2018 Board meeting. It is expected Mr. MacLeod will be nominated as the Chair at the November Board meeting. The Chair concluded her remarks by recognizing and applauding the work that has been done to date to further the Foundation's mission.

[Board Action 2018:5:1] Election of Vice Chair

Upon motions duly made, seconded and unanimously carried, the Board adopted the following resolution:

RESOLVED, that Andrew MacLeod is hereby elected as Vice Chair of the Board.

[Board Action 2018:5:2] Approval of Previous Minutes

Upon motions duly made, seconded and unanimously carried, the Board adopted the following resolution:

RESOLVED, that the Minutes of the Meeting of the Board held by telephone on May 23, 2018, be, and they hereby are, approved and adopted.

[Board Action 2018:5:3] Approval of Corporate Authorization Matrix

Ms. Parizek next reported that the Audit Committee met in June and, with input from Mr. Harding, Ms. Smith and Board members, finalized a corporate authorization matrix. The matrix identifies the levels of approval required for corporate actions, projects, contracts, expenditures, grants and other items. The Audit Committee recommended the adoption of the matrix.

Upon motions duly made, seconded and unanimously carried, the Board adopted the following resolution:

RESOLVED, that the Corporate Authorization Matrix, as presented, is hereby approved and adopted.

President's Report

Dr. Yach provided a report on key strategic items. To build trust with key stakeholders, SustainAbility, a think tank and consulting firm, was engaged to report on key insights and recommendations on external assurance options for the Foundation. Their final report and recommendations were previously circulated to the Board. The Foundation staff has reviewed the recommendations and agrees there would be a benefit to building a comprehensive package of measures to address assurance and support wide engagement including with the private sector.

The Board, independently, has been working on one of the recommendations, namely appointing additional Board members. The Board is considering director candidates with different regional perspectives and diverse skills to add depth and breadth to the Board. The objective is to

add two new highly qualified directors by the November 2018 Board meeting. In addition, work also is proceeding on another recommendation, a stakeholder engagement process. At the last Board meeting, the Board agreed that having an open forum and dialogue with diverse stakeholders is an important undertaking and could foster greater understanding; work is underway to have the first Stakeholder Council coincide with the Board's November meeting in London. The Foundation is also working on developing increased visibility across social media platforms to engage stakeholders and further the Foundation's mission.

Dr. Yach also reported on sessions in Israel last week with innovative health-related technology companies working on brain wave monitoring, eye tracking and drug delivery arenas for cessation monitoring. These sessions focused on how to build a more systematic approach to end smoking. In addition, meetings were held with groups in the agricultural-technology field and these contacts are expected to yield potential partners or consultants for the Foundation's work in Malawi.

Dr. Yach also shared that the Conrad Challenge is gearing up for 2019 with a greater focus on India, Malawi and China. The 2018 Challenge, which invited students to design 21st century solutions to repurpose global farmland currently used for tobacco production, was very successful and provided the Foundation with proposals that were innovative and tech savvy. The Foundation is also leading a global Foresight initiative that will leverage strategic intelligence on the determinants, trends and evolving science related to smoking to identify the most powerful levers of change able to accelerate an end to smoking. A kickoff session in July will outline the possible components of the Foresight process planned.

The Foundation recently signed a MOU with the USAID to work together to drive the design and implementation of inclusive business models for economic diversification, deployment of appropriate technology and to provide scaled reach to smallholder tobacco farmers.

[Board Action 2018:5:4] Approval of Swiss Branch Office

The Board next discussed establishing a Foundation office in Switzerland. Dr. Riahi explained the rationale for a Swiss presence included: (1) Switzerland hosts the WHO and a range of global health and development partnerships, is a global conference center, and provides easy travel links to other European centers which host some of the Foundation's stakeholders; (2) a Swiss branch office will broaden the Foundation's access to highly skilled talent across Europe, including people with the broad range of linguistic and cultural skills needed to work with the Foundation's stakeholders across the world, and people with experience working in and with international organizations; and (3) a Swiss branch office will reduce the Foundation's travel costs to destinations important for the Foundation's work.

After consideration of the above factors, the Board determined that it was in the best interests of the Foundation to establish a branch office in Switzerland.

Upon motions duly made, seconded and unanimously carried, the Board adopted the following resolution:

RESOLVED, that the establishment of the Swiss Branch is hereby authorized, approved and adopted by the Board; and be it further

RESOLVED, that the Foundation will remain responsible for the principal activities to be carried out by the Swiss Branch and will prescribe the budgetary limitations for the operations of the Swiss Branch; and be it further

RESOLVED, that any officer or director of the Foundation (each an “*Authorized Person*”), acting singly, is authorized and directed, in the name and on behalf of the Foundation, to take all further action and to pay all expenses as any such Authorized Person may approve as necessary or desirable in order to carry out the foregoing resolutions, fully effectuate the purposes and intents thereof and perform the Foundation’s obligations under or in connection therewith, the execution and delivery of the applicable documents, instruments, certificates or agreements, or any amendments, supplements or modifications thereto, and the taking of any such actions and the payment of any such expenses, to be conclusive evidence that the same have been approved by such Authorized Person.

Ad Hoc Strategic Planning Committee Report

Mr. Skancke and Dr. Riahi led a high-level review of a draft strategic plan for the Foundation for the three year period, 2019-2022. The Committee sought the Board’s assurance that it is on the right track regarding the scope and focus of the strategic plan. Mr. Skancke informed the Board that the Committee expects to provide an updated draft at the September 6th Board meeting and a final plan and associated budget to discuss and approve at the November 2nd Board meeting.

Mr. Skancke then turned to Dr. Riahi to discuss the strategic framework for the three-year plan and some of the measures the Foundation can take in the short term to further its mission of ending smoking. The Board agreed with the strategic objectives outlined in the draft plan and approved of both the scope and focus of the plan.

[Board Action 2018:5:5] Approval of Final Budget for 2018

The Chair then turned to the Final Budget for 2018 and noted the Final Budget was distributed to the directors prior to the Board meeting.

Upon motions duly made, seconded and unanimously carried, the Board adopted the following resolution:

RESOLVED, that the Final Budget for 2018, as presented, is hereby approved and adopted.

Science Oversight Committee Report

Dr. Riahi reported that he expects the Scientific Advisory Board to be fully functional in July with approximately five or six well-qualified advisors. Dr. Yach reported the search for candidates for the Agricultural and Livelihoods Advisory Board is proceeding well.

Pledge Agreement Reporting Requirements for 2018

Ms. Meisels reminded everyone that in order to receive the next funding the Board is required to present a unanimous attestation to PMI prior to January 15, 2019 that the Foundation

has satisfied ten milestones enumerated in the Pledge Agreement. Ms. Meisels reported that nearly all of the milestones had already been met by the Foundation.


Board Governance Committee Report

Mr. MacLeod reported the Committee is looking for additional Board members with medical backgrounds. He also reviewed the biographies of two potential director nominees. The Board determined that the next step for these candidates would be to meet with Dr. Yach and to undergo appropriate pre-nomination reviews.

Prior to moving into Executive Session, Ms. Smith reminded the directors that the next Board meeting would be conducted by telephone and is scheduled for 10:30 AM EDT on September 6, 2018. Ms. Smith informed the directors that notice of the meeting and a tentative agenda would be sent prior to the meeting. The meeting adjourned at 11:20 AM EDT.

IN WITNESS WHEREOF, I, the undersigned Secretary of Foundation for a Smoke-Free World, Inc., have duly attested to these Minutes of a Special Meeting of the Board of Directors of Foundation for a Smoke-Free World, Inc., effective as of June 21, 2018.

By Order of the Board:



Elizabeth A. Smith
Secretary