

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended (the “FSMA”) if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your existing ordinary shares in British American Tobacco p.l.c. (“BAT” or the “Company” and together with its subsidiary undertakings, the “BAT Group”), please send this document, together with the accompanying form of proxy (the “Proxy Form”), Proxy Form — South Africa (“PFSA”) or Voting Instruction Form, as appropriate, (other than documents or forms personalised to you) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents should not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred only part of your holdings of ordinary shares in BAT, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

**This document should be read as a whole.**

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**British American Tobacco p.l.c.**  
(incorporated and registered in England and Wales under the Companies Act 1985 under number 03407696)

**NOTICE OF ANNUAL GENERAL MEETING 2020**  
**to be held at Globe House, 4 Temple Place,**  
**London WC2R 2PG**  
**on Thursday 30 April 2020 at 11.30am**

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**The Notice of the Annual General Meeting is set out on pages 10 to 13.**

A Proxy Form, PFSA or Voting Instruction Form, as appropriate, for use at this Annual General Meeting is enclosed. To be valid, the Proxy Form, PFSA or Voting Instruction Form, as appropriate, should be completed, signed and returned in accordance with the instructions printed thereon and Appendix 1 of this Notice of Annual General Meeting. Proxy Forms and PFSAs must be received (1) in the case of a shareholder on the UK Main Register (“UK Register”) by Computershare Investor Services PLC (the “UK Registrar”), at The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, United Kingdom; or (2) in the case of a holder of ordinary shares in a certificated form on the South Africa Branch Register (“SA Branch Register”) by Computershare Investor Services Proprietary Limited (the “SA Registrar”), at Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, (Private Bag X9000, Saxonwold, 2132), South Africa, as soon as possible but in any event must arrive not later than 48 hours before the time fixed for the start of the meeting.

**The following documents are available to be viewed at or downloaded from the British American Tobacco website:**

**Annual Report 2019 [www.bat.com/annualreport](http://www.bat.com/annualreport)**  
**Performance Summary 2019 [www.bat.com/annualreport](http://www.bat.com/annualreport)**  
**Notice of Annual General Meeting 2020 [www.bat.com/AGM](http://www.bat.com/AGM)**

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### PLEASE READ CAREFULLY

#### BRITISH AMERICAN TOBACCO P.L.C. ('BAT')

##### **Arrangements for the 2020 Annual General Meeting ('AGM') in light of CoVid-19**

BAT is closely monitoring the CoVid-19 situation, including UK Government guidance, and will continue to do so in the lead up to the AGM.

In order to ensure the health and safety of shareholders and BAT staff, shareholders should note that the AGM will focus only on those matters required by law and regulation. Aside from the formal meeting, there will not be the usual refreshments and other opportunities to meet members of the BAT Board and management team informally.

**In light of the current UK Government guidance on reducing social interactions between people (social distancing) to reduce the transmission of CoVid-19, and specifically the avoidance of large gatherings and non-essential use of public transport, shareholders should carefully consider whether or not it is appropriate to attend the meeting in person this year if the guidance continues to be the same or even more restrictive.**

**As such, the Board encourages all shareholders to appoint a proxy as early as possible in order to vote on the matters being considered at the meeting.**

The situation is developing rapidly and shareholders should note that further changes may need to be put in place at short notice in relation to the AGM this year.

Updates on the status of the AGM and any changes to the proceedings of the meeting will be published on [www.bat.com/agm](http://www.bat.com/agm) and announced to the stock market.

Paul McCrory  
Secretary  
26 March 2020



## LETTER FROM THE CHAIRMAN

Globe House  
4 Temple Place  
London  
WC2R 2PG

26 March 2020

Dear Shareholder

### Annual General Meeting

#### Introduction

The 2020 Annual General Meeting of British American Tobacco p.l.c. (the “Meeting” or the “AGM”) will be held at 11.30am on Thursday 30 April at Globe House, 4 Temple Place, London WC2R 2PG.

The Notice of Meeting is set out on pages 10 to 13 of this document.

If you would like to vote on the Resolutions and do not attend the Meeting, you can appoint a proxy or proxies to exercise all or any of your rights to attend, vote and speak at the Meeting by using one of the methods set out in Appendix 1 of this document. Given prevailing Government guidance relating to CoVid-19 we strongly encourage you to consider appointing a proxy or proxies to exercise your rights this year.

Voting on Resolutions 1 to 20 will be conducted by way of a poll.

The Board has declared an interim dividend of 210.4p per ordinary share of 25p, payable in four equal quarterly instalments of 52.6p per ordinary share in May 2020, August 2020, November 2020 and February 2021. The dividend payments will be made to shareholders registered on the UK Register or the SA Branch Register and to holders of American Depositary Shares (“ADSs”), each on the applicable record dates. The dividends receivable by ADS holders in US dollars will be calculated based on the exchange rate on the applicable payment dates.

The Company’s articles of association provide the Directors with the required authority to pay interim dividends and in accordance with the Companies Act 2006 (the “2006 Act”) there is no requirement for interim dividends to be approved by shareholders.

Further information on dividends can be found on page A-12.

#### Explanation of the AGM Resolutions

The following paragraphs explain, in summary, the Resolutions to be proposed at the Meeting.

#### Resolution 1: Receipt of the 2019 Report and Accounts

The Directors must present the Company’s annual report and accounts to the Meeting and shareholders may raise any questions on the reports and financial statements under this Resolution. There will be an opportunity to submit questions on this resolution via the Company’s website. Information will be available on [bat.com/agm](http://bat.com/agm) in due course.

#### Resolution 2: Directors’ remuneration report

In accordance with the provisions of the 2006 Act, the Directors’ remuneration report (the “Remuneration Report”) in the Company’s annual report and accounts for the year ended 31 December 2019 (the “Annual Report 2019”) consists of:

- (1) the Annual Statement on Remuneration by Dimitri Panayotopoulos, Chairman of the Remuneration Committee; and

- (2) the Annual Report on Remuneration, which sets out the remuneration paid to the Company's Directors during the year ended 31 December 2019.

Shareholders approved the Directors' remuneration policy in relation to future payments to the Directors and former Directors at the Annual General Meeting held on 25 April 2019 (the "Approved Policy"). For ease of reference, a summary of the key elements of the Approved Policy as it principally applied to remuneration paid during 2019 is included in the Annual Report on Remuneration.

This summary does not form part of the Remuneration Report for the purposes of Resolution 2. The Approved Policy is set out in full in the Annual Report 2018. Please refer to Appendix 5 for details of how to obtain a copy of an Annual Report and other British American Tobacco publications. The full Approved Policy continues to be displayed in the "Reporting: Annual reporting" section of bat.com.

The Directors' remuneration policy will be put to shareholders for approval again no later than the Company's annual general meeting in 2022.

Resolution 2 is an ordinary resolution to approve the Remuneration Report, other than the part containing the summary of the Approved Policy described above. Resolution 2 is an advisory resolution and is not specific to individual levels of remuneration and does not affect the future remuneration paid to any Director.

### **Resolution 3: Reappointment of the Auditors**

The Company is required to appoint auditors at each general meeting at which accounts are presented, to hold office until the conclusion of the next such meeting. This Resolution, on the recommendation of the Audit Committee, proposes the reappointment of KPMG LLP as auditors of the Company.

### **Resolution 4: Authority for the Audit Committee to agree the Auditors' remuneration**

This Resolution authorises the Audit Committee to approve the terms of engagement of and to set the remuneration of the Company's auditors.

### **Resolutions 5 to 12: Re-election of Directors**

### **Resolutions 13 and 14: Elections of Directors appointed since the last Annual General Meeting**

In accordance with Provision 18 of the UK Corporate Governance Code 2018, all directors of premium listed companies should be subject to election or re-election by their shareholders every year. The Company is submitting all eligible Directors for re-election and in the case of Jeremy ('Jerry') Fowden and Tadeu Marroco, election for the first time, with the exception of Kieran Poynter who will retire as a Director at the conclusion of the AGM and will therefore not be seeking re-election. Prior to making recommendations to the Board in respect of the Directors' submission for election or re-election (as applicable), the Nominations Committee carried out an assessment of each Director, including their performance, contribution to the long-term sustainable success of the Company and, in respect of each of the Non-Executive Directors, their continued independence.

The Board considers the length of service of the members of the Board as a whole and the need for it to refresh its membership progressively over time. Non-Executive succession planning remains a priority for the Nominations Committee in 2020.

The Chairman will have served as a Director for just over ten years at the time of the AGM. The Nominations Committee has given careful consideration to Director transitions to ensure orderly Board succession. During 2018 and 2019, the Nominations Committee prioritised effective succession planning for the Chief Executive and the Finance Director. Having overseen the orderly transition for both those roles, the Nominations Committee has focused on succession planning for the role of Chairman, mindful of the provisions of the UK Corporate Governance Code (the "Code") and that Richard Burrows has served as a Director for just over ten years.

Whilst recognising that the Code generally limits the tenure of the Chairman to nine years from first appointment, the Code permits extension of the Chairman's tenure for a limited time to facilitate effective succession planning. In the context of the recent transitions for both the Chief Executive and the Finance Director, and to enable effective succession planning for the Chairman, the Board considers the interests of the Company's shareholders to be best served by Mr Burrows continuing as Chairman for a limited time. It is intended that Mr Burrows will retire from the Board at or prior to the Annual General Meeting in 2021 and that he continue to lead the Board in the interim.

The results of the externally facilitated 2019 Board evaluation show that the Board and its Committees continue to function effectively and that the working relationships between the Board and its Committees continue to be sound. For further information on the 2019 Board evaluation, please refer to page 78 of the 2019 Annual Report.

In respect of Tadeu Marroco's appointment, the Nominations Committee identified the successor to Ben Stevens as Finance Director, taking into account potential candidates' skills, experience and diversity of attributes. The Board approved the Nominations Committee's recommendation to appoint Mr Marroco as Deputy Finance Director with effect from 1 March 2019 and as Finance Director with effect from 5 August 2019.

The Nominations Committee also led the selection process leading to the appointment of Jerry Fowden as a Non-Executive Director with effect from 1 September 2019. This selection process was supported by Heidrick & Struggles, an independent executive search firm accredited under the Standard and Enhanced Code of Conduct for Executive Search Firms. The selection process for this role included careful consideration of candidates' skills, expertise, knowledge and diversity of attributes, and a specific requirement for candidates to have strong US market experience to enhance the Board's US expertise.

The process of formal evaluation confirms that each Director being proposed for election or re-election (as applicable) makes an effective and valuable contribution to the Board and demonstrates commitment to their roles including making sufficient time for Board and Committee meetings and other duties.

It is with this background that the Board recommends the re-election or election of Directors as set out in the separate Resolutions 5 to 12 and 13 and 14, respectively. A summary of the skills, experience and contribution of each Director proposed for election and re-election, which in the Board's view illustrates why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success, is set out below.

#### **Resolution 5: Jack Bowles**

**Position:** Chief Executive since 1 April 2019; Executive Director since 1 January 2019.

**Nationality:** French

**Age:** 56

**Skills, experience and contributions:** Jack brings significant experience in management, innovation and strategic leadership to the Board, developed through his previous roles across many of the Group's key geographies and areas of business. He joined the Group in 2004 and was appointed as Chairman of British American Tobacco France in 2005, before becoming Managing Director of British American Tobacco Malaysia in 2007. He joined the Management Board as Regional Director for Western Europe in 2009, becoming Regional Director for the Americas in 2011, then Regional Director for Asia-Pacific in 2013. Jack became Chief Operating Officer in 2017 and Chief Executive Designate in November 2018, before being appointed to the Board in January 2019.

**Other appointments:** No external appointments.

#### **Resolution 6: Richard Burrows**

**Position:** Chairman since November 2009; Non-Executive Director since September 2009; Chairman of the Nominations Committee.

**Nationality:** Irish

**Age:** 74

**Skills, experience and contributions:** Richard brings considerable consumer goods and international business experience to the Board, having been Chief Executive of Irish Distillers and Co-Chief Executive of Pernod Ricard. Prior to joining the Board, Richard was Governor of the Bank of Ireland. He is an experienced non-executive director and brings a variety of perspectives to the Board. Richard is a Fellow of the Institute of Chartered Accountants of Ireland.

**Other appointments:** Supervisory Board member and Chairman of the Remuneration Committee at Carlsberg A/S.

#### **Resolution 7: Sue Farr**

**Position:** Non-Executive Director since February 2015; member of the Nominations and Remuneration Committees.

**Nationality:** British

**Age:** 64

**Skills, experience and contributions:** Sue contributes considerable expertise in relation to marketing, branding and consumer issues, which are key areas of focus for the Board. Prior to joining the Chime Group in 2003, where she was Director, Strategic and Business Development until 2015, Sue held a

number of senior marketing and communications positions, including: Director of Marketing BBC, Corporate Affairs Director of Thames Television and Director of Communications of Vauxhall Motors. Sue is a former Chairwoman of both the Marketing Society and the Marketing Group of Great Britain.

**Other appointments:** Special Advisor, Chime Group; Non-Executive Director and Chair of the Remuneration Committee of Accsys Technologies PLC; Non-Executive Director of Helical plc; Non-Executive Director and Chair of the Remuneration Committee of DNEG Limited.

#### **Resolution 8: Dr Marion Helmes**

**Position:** Non-Executive Director since August 2016; member of the Nominations and Remuneration Committees.

**Nationality:** German

**Age:** 54

**Skills, experience and contributions:** Marion brings significant financial expertise and operational experience to the Board, gained at an international level, having spent her working life managing businesses across Europe, the Americas and Asia. Her extensive career includes Chief Financial Officer positions at Celesio, Q-Cells and ThyssenKrupp Elevator Technology and, more recently, as a member of a variety of Supervisory Boards, which enables Marion to bring a range of insights to the Board's discussions.

**Other appointments:** Vice Chairwoman of the Supervisory Board and Co-Chairwoman of the Presiding and Nomination Committee of ProSiebenSat.1 Media SE; Supervisory Board member and Chairman of the Audit Committee of Heineken N.V.; Supervisory Board member of Siemens Healthineers AG and Uniper SE.

#### **Resolution 9: Luc Jobin**

**Position:** Non-Executive Director since July 2017; member of the Audit and Nominations Committees.

**Nationality:** Canadian

**Age:** 60

**Skills, experience and contributions:** Luc contributes extensive financial and strategic experience to the Board, including in the US tobacco sector as an independent director of RAI from 2008 until the acquisition in 2017. Luc was President and Chief Executive Officer of Canadian National Railway Company from July 2016 until March 2018, having served as Executive Vice President and Chief Financial Officer since 2009. He was Executive Vice President of Power Corporation of Canada from 2005 to 2009. Luc was Chief Executive Officer of Imperial Tobacco Canada, a subsidiary of the Company, from 2003 to 2005 and Executive Vice President and Chief Financial Officer from 1998 to 2003.

**Other appointments:** Independent Director of Hydro-Quebec and Gildan Activewear Inc.; Independent Consultant providing executive leadership advisory services to corporate clients.

#### **Resolution 10: Holly Keller Koeppel**

**Position:** Non-Executive Director since July 2017; Chairman of the Audit Committee and member of the Nominations Committee.

**Nationality:** American

**Age:** 61

**Skills, experience and contributions:** Holly's extensive international operational and financial management experience in a range of industry sectors enables her to make important contributions to the Board. Holly served as an independent director on the Board of RAI from 2008 until the acquisition in 2017. From 2010 until her retirement in 2017, she was Managing Partner and Head of Citigroup's Infrastructure Investment Fund (CII and its successor Gateway Infrastructure) with operations on three continents. Prior to 2010, she held a number of global operational positions with Consolidated Natural Gas Company and American Electric Power Company, Inc. (AEP), ultimately serving as Chief Financial Officer of AEP.

**Other appointments:** Non-Executive Director of Vesuvius plc; Director and Chair of the Governance Committee of AES Corporation; Director of Arch Coal Inc.

### **Resolution 11: Savio Kwan**

**Position:** Non-Executive Director since January 2014; member of the Nominations and Remuneration Committees.

**Nationality:** British

**Age:** 72

**Skills, experience and contributions:** Savio brings significant business leadership experience to the Board, together with a deep knowledge of Greater China and Asia, an important region for the Group. During his extensive career he has worked broadly in technology for General Electric, BTR plc and Alibaba Group, China's largest internet business, where he was both Chief Operating Officer and, later, a Non-Executive Director.

**Other appointments:** Co-Founder and CEO of A&K Consulting Co Ltd, advising entrepreneurs and their start-up businesses in China; Member of the Governing Body of the London Business School; Non-Executive Director of the Alibaba Hong Kong Entrepreneur Fund and Crossborder Innovative Ventures International Limited; and a Non-Executive Director and Advisory Board member of Homaer Financial.

### **Resolution 12: Dimitri Panayotopoulos**

**Position:** Non-Executive Director since February 2015; Chairman of the Remuneration Committee and member of the Nominations Committee. Dimitri will become Senior Independent Director at the conclusion of the AGM on 30 April 2020.

**Nationality:** Greek/British

**Age:** 68

**Skills, experience and contributions:** Dimitri has extensive general management and international sales and brand building expertise, which enables him to make valuable contributions to Board discussions on these important topics. He was Vice Chairman and Adviser to the Chairman and CEO of Procter & Gamble (P&G), where he started his career in 1977. During his time at P&G, Dimitri led on significant breakthrough innovations and continued to focus on this, speed-to-market and scale across all of P&G's businesses while Vice Chairman of all the Global Business Units.

**Other appointments:** Senior Advisor at The Boston Consulting Group; Advisory Board member of JBS USA; Board Member of IRI.

### **Resolution 13: Jeremy Fowden**

**Position:** Non-Executive Director since 1 September 2019, member of the Audit and Nominations Committees.

**Nationality:** British

**Age:** 63

**Skills, experience and contributions:** Jerry brings extensive experience in leadership and strategic transformation to the Board and contributes considerable insight in relation to US operational issues, an important market for the Group. He is Chairman of Primo Water Corporation ('Primo') (formerly Cott Corporation), a US pure-play water solutions provider, having been Chief Executive Officer from 2009 until December 2018. Prior to joining Primo, Jerry held a variety of executive roles, including: Chief Executive Officer of Auto Trader Group; a number of roles at AB InBev, including Chief Executive Officer of Bass Breweries in the UK, Global Chief Operating Officer and European President; Executive Director of The Rank Group Plc; and Chief Executive Officer of the Beverage Division at the Hero Group.

**Other appointments:** Chairman of Primo; Non-Executive Director and Chair of the Compensation and Human Resources Committee of Constellation Brands, Inc.

### **Resolution 14: Tadeu Marroco**

**Position:** Finance Director since 5 August 2019.

**Nationality:** Brazilian

**Age:** 53

**Skills, experience and contributions:** Tadeu brings broad experience gained in various national, regional and global finance and general leadership roles, having joined the Group in Brazil in 1992. These experiences make Tadeu particularly well-placed to contribute to the Group's transformation and broader strategic agenda. He joined the Management Board as Director, Business Development in 2014, becoming Regional Director, Western Europe in 2016, then Regional Director, Europe and North Africa in January 2018. He was appointed Director, Group Transformation in January 2019 and, in addition to this role, he was appointed Deputy Finance Director in March 2019, before joining the Board as Finance Director in August 2019.

**Other appointments:** No external appointments.

## **Resolution 15: Renewal of the Directors' authority to allot shares**

## **Resolution 16: Renewal of the Directors' authority to disapply pre-emption rights**

The Board currently has in place the following authorities, each granted by shareholders until the next following Annual General Meeting, at the Annual General Meeting held on 25 April 2019:

- (a) authority under section 551 of the 2006 Act to allot relevant securities up to the amount representing two-thirds of the Company's then issued ordinary share capital (excluding treasury shares), of which approximately one-third can only be allotted pursuant to a rights issue (the "Allotment Authority"); and
- (b) authority under section 570 of the 2006 Act to allot shares for cash in certain circumstances otherwise than pro rata to all shareholders (the "Pre-emption Authority").

Both the Allotment Authority and the Pre-emption Authority are due to expire at the conclusion of this year's Meeting and, in keeping with best practice, shareholders will continue to have the opportunity to vote on the renewal of these authorities each year so that the authorities may be up-to-date and continue to be of equal duration, giving the Company certainty and flexibility in its financing arrangements.

The Investment Association ("IA") has in place certain share capital management guidelines (the "IA Guidelines") which state that IA members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one-third of a company's issued share capital. In addition, they will treat as routine a request for authority to allot shares representing an additional one-third of a company's issued share capital provided that it is only used to allot shares pursuant to a fully pre-emptive rights issue.

The Board acknowledges that, whilst the Allotment Authority resolution was passed at the 2019 Annual General Meeting, a significant minority of our shareholders did not support the resolution. During 2019, the Company engaged with a range of shareholders that voted against the resolution and the Board considered their views. Although the Directors have no present intention of exercising this authority, it provides them with an appropriate level of authority for on-going purposes and the Directors consider it appropriate to maintain the flexibility that this authority provides. For further details, please refer to the update on 2019 AGM voting results on page 71 of the 2019 Annual Report.

Having regard to the IA Guidelines, the Board considers it appropriate that Directors be granted authority to allot shares in the capital of the Company up to a maximum nominal amount of £382,364,109 representing the guideline limit of approximately two-thirds of the Company's issued ordinary share capital (excluding treasury shares) as at 19 March 2020 (the latest practicable date prior to publication of this letter). Of this amount £191,182,054 representing approximately one-third of the Company's issued ordinary share capital (excluding treasury shares), can only be allotted pursuant to a rights issue.

The authority proposed in Resolution 15 will expire at the conclusion of the 2021 Annual General Meeting, or if earlier, 30 July 2021 unless previously revoked, varied or extended by the Company in a general meeting. The Company held 162,365,192 ordinary shares in treasury, representing 6.6% of the issued ordinary share capital of the Company as at the close of business on 19 March 2020 (the latest practicable date prior to publication of this letter).

Resolution 16 is a special resolution and will give the Directors authority to allot shares in the capital of the Company for cash pursuant to the authority granted under Resolution 15 above or by way of sale of treasury shares without complying with the pre-emption rights in the 2006 Act in certain circumstances. This authority will permit the Directors to allot:

- (a) shares up to a nominal amount of £382,364,109 representing two-thirds of the Company's issued share capital, on an offer to existing shareholders on a pre-emptive basis. However, unless the shares are allotted pursuant to a rights issue (rather than an open offer), the Directors may only allot shares up to a nominal amount of £191,182,054 representing one-third of the Company's issued share capital (in each case subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the Directors see fit); and
- (b) shares up to a maximum nominal value of £28,677,308 representing approximately 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 19 March 2020 (the latest practicable date prior to publication of this letter), otherwise than in connection with an offer to existing shareholders.

The Directors have no present intention of exercising this authority. The Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles (the "Principles") regarding cumulative usage of authorities within a rolling three-year period. The Principles provide that companies

should not issue shares for cash representing more than 7.5% of a company's issued share capital (excluding treasury shares) in any rolling three-year period, other than to existing shareholders and without prior consultation with shareholders.

The authority contained in Resolution 16 will expire upon the expiry of the general authority conferred by Resolution 15, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

#### **Resolution 17: Authority for the Company to purchase its own shares**

Under the 2006 Act the Company requires authorisation from a general meeting if it is to purchase its own shares. The present authority for the Company to purchase its own shares (granted at the 2019 Annual General Meeting) will expire at the 2020 Annual General Meeting. The Directors are seeking a fresh authority for the Company to purchase its ordinary shares in order that the appropriate mechanisms are in place to enable the share buy-back programme to commence at any time when, in the opinion of the Directors, the exercise of the authority would result in an increase in the Company's earnings per share and would be in the interest of its shareholders generally.

Resolution 17 seeks to renew the authority given at the Annual General Meeting on 25 April 2019. This special resolution authorises the Company to purchase up to a maximum of 229.4 million ordinary shares, representing approximately 10% of its issued ordinary share capital (excluding treasury shares) as at the close of business on 19 March 2020 (the latest practicable date prior to the publication of this letter), subject to the limitations in paragraphs (b) and (c) of the Resolution on the maximum and minimum prices that may be paid. The authority given by this Resolution will expire at the conclusion of the Annual General Meeting in 2021 unless renewed, varied or revoked at that or any earlier general meeting of shareholders.

The Company will have the option either of holding in treasury or cancelling any shares purchased under this authority. It is the Company's practice to place all repurchased shares in treasury and this policy is expected to continue for any shares purchased under this authority. Treasury shares can be sold quickly and cost effectively, for cash, giving the Company additional flexibility in the management of its funding requirements.

Whilst in treasury no dividends are paid on the shares and they have no voting rights. There is no statutory limit on the percentage of share capital that a company is permitted to hold as treasury shares. However, in keeping with the IA Guidelines, the Company will continue to limit the number of shares that it holds as treasury shares to no more than 10% of its issued share capital.

In the absence of the necessary practical arrangements, this Resolution has not been extended to enable the Company to purchase its own ordinary shares on the Johannesburg Stock Exchange (JSE Limited) in South Africa or on the New York Stock Exchange in the form of American Depositary Shares.

As at 19 March 2020 (the latest practicable date prior to publication of this letter), there were no outstanding warrants for equity shares in the Company and the total number of option rights to subscribe for equity shares was 952,357. These rights are equivalent to 0.0415% of the issued share capital (excluding treasury shares) as at that date and would represent 0.0519% of the issued share capital of the Company (excluding treasury shares) if the full authority to purchase its own shares in accordance with this Resolution and the existing authority to purchase taken at last year's Annual General Meeting (which expires at the end of this year's Annual General Meeting) were to be exercised by the Company.

#### **Resolution 18: Approval of the British American Tobacco Restricted Share Plan ("RSP")**

The Directors are seeking shareholders' approval for the Restricted Share Plan ("RSP"), which was adopted in December 2019. Approval would allow for the satisfaction of awards granted under the RSP using new issue or treasury shares.

The Remuneration Committee reviewed short and long-term incentive arrangements below Executive Director level during 2019. An outcome of this review was that the Remuneration Committee considered it appropriate to implement the new RSP to replace, in whole or in part, the Company's long-term incentive plan (LTIP) for certain grades of employee. The RSP was therefore adopted in December 2019 and the first awards will be granted at the same time as LTIP awards at the end of March 2020. The Remuneration Committee considers that the RSP better aligns the remuneration strategy with the Group's strategy and ethos and recognises employee feedback in this area.

Directors of the Company are not eligible to participate in the RSP. Notwithstanding this, the UK Listing Rules require that shareholder approval is sought for the RSP if the Company wishes to satisfy awards with new issue or treasury shares. The Board is therefore seeking shareholder approval in order that existing and future awards granted pursuant to the RSP may be satisfied using new issue and/or treasury shares, up to the limits included in the RSP rules. It is the Company's current intention to satisfy awards granted under the RSP using market purchased share as far as possible, in alignment with the approach under the LTIP. However, awards granted to participants in certain jurisdictions may require the use of new issue or treasury shares. Given the intended recipients of RSP awards, it is not expected that the issue of shares or transfer of treasury shares in satisfaction of RSP awards will have a substantive dilutive impact on existing shareholders.

A summary of the RSP rules is set out in Appendix 2 to this document on pages A-6 to A-8.

A copy of the RSP rules will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company up to the time of the Meeting. Copies will be available at the place of the AGM on the morning of the Meeting from 11.00am (UK time) until its conclusion.

### **Resolution 19: Authority to make donations to political organisations and to incur political expenditure**

The Company and its subsidiaries are prohibited by the 2006 Act from making certain donations to any political party or other political organisation or to any independent election candidate (as such terms are defined in the 2006 Act sections 366 and 367) of more than £5,000 in total in any period of twelve months, and from incurring political expenditure, unless they have been authorised to do so in advance by the Company's shareholders.

At its Annual General Meeting in April 2019, the Company and its subsidiaries were granted authority in accordance with the 2006 Act to make donations to political organisations and to incur political expenditure. This authority was granted for a period of one year and was subject to caps of £100,000 on donations to such political organisations and of £100,000 on such political expenditure during that period.

What constitutes a political donation, a political party, a political organisation, or political expenditure is not always clear, as the legislation is capable of wide interpretation. Sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may potentially fall within this wide definition.

Therefore, notwithstanding that the Company has no current intention of making any donation to, or incurring any political expenditure in respect of, any political party or independent electoral candidate as such terms are defined in the 2006 Act, the Board has decided to put forward Resolution 19 to seek shareholders' authority to make such political contributions and to incur such political expenditure. This will allow the Company to continue to support the community and put forward its views to wider business and government bodies without running the risk of being in breach of the law.

In keeping with best practice, this proposed authority from shareholders will be at a level of £100,000. This authority will cover the period from the date this Resolution 19 is passed until the end of the next AGM of the Company or, if earlier, on 30 July 2021. Further, as permitted under the 2006 Act, Resolution 19 also covers any such political donations made, or political expenditure incurred, by any subsidiaries of the Company.

### **Resolution 20: Notice period for General Meetings**

Resolution 20 is a special resolution to allow the Company to hold general meetings, other than Annual General Meetings ("AGMs"), on 14 days' notice.

The Company's articles of association include a provision which allows general meetings of the Company to be called on the minimum notice period provided for in the 2006 Act. Under the 2006 Act, the minimum notice period for general meetings of listed companies is 21 days, however it is possible to reduce this period to 14 days (other than for AGMs) provided that two conditions are met. The first condition is that a company offers facilities for shareholders to submit proxy appointments by electronic means. The second condition is that there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 days to 14 days.

Following shareholder approval at the 2019 Annual General Meeting, the Company is currently able to call general meetings (other than AGMs) on 14 clear days' notice and would like to preserve this ability by seeking a renewal of this authority at the Meeting.

The Board is therefore proposing Resolution 20 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than AGMs. The approval will be effective until the Company's next AGM, when it is intended that the approval be renewed. The shorter notice period would not be used as a matter of routine. Rather the Board will consider on a case by case basis whether the use of the flexibility offered by the shorter notice period is merited, taking into account the circumstances, including whether the business of the meeting is time sensitive, and is thought to be to the advantage of shareholders. Further, the shorter notice period would not be used unless both conditions as stated above are met.

#### **Directors' recommendations**

The Board considers that the Resolutions will promote the success of the Company and are in the best interests of the Company and its shareholders. The Directors unanimously recommend shareholders to vote in favour of Resolutions 1 to 20 as they intend to do in respect of their own beneficial shareholdings.

#### **Voting documentation**

Please refer to Appendix 1 for guidance notes on the completion and return of the Proxy Form and other applicable voting documentation.

Yours sincerely

**Richard Burrows**  
Chairman



**NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING** of British American Tobacco p.l.c. will be held at 11.30am on Thursday 30 April 2020 at Globe House, 4 Temple Place, London WC2R 2PG to consider and, if thought fit, to pass Resolutions 1 to 15, 18 and 19 as ordinary resolutions and Resolutions 16, 17 and 20 as special resolutions:

#### **Report and Accounts**

1. To receive the accounts and the reports of the Directors and Auditors for the year ended 31 December 2019.

#### **Remuneration Report**

2. To approve the Directors' remuneration report in the form set out in the Company's annual report and accounts for the year ended 31 December 2019.

#### **Auditors**

3. To reappoint KPMG LLP as the Company's auditors until the conclusion of the next Annual General Meeting of the Company.

#### **Auditors' remuneration**

4. To authorise the Audit Committee to agree the auditors' remuneration.

#### **Re-election of Directors**

To re-elect the following as Directors:

5. Jack Bowles
6. Richard Burrows
7. Sue Farr
8. Dr Marion Helmes
9. Luc Jobin
10. Holly Keller Koeppel
11. Savio Kwan
12. Dimitri Panayotopoulos

#### **Directors appointed since the last Annual General Meeting**

To elect the following as Directors:

13. Jeremy Fowden
14. Tadeu Marroco

#### **Authority to allot shares**

15. That the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights"):
  - (a) up to an aggregate nominal amount of £191,182,054; and

- (b) up to a further aggregate nominal amount of £191,182,054 provided that: (i) they are equity securities (within the meaning of section 560(1) of the Companies Act 2006); and (ii) they are offered by way of a rights issue to holders (“shareholders”) of ordinary shares of 25p each in the capital of the Company (“ordinary shares”) on the register of members at such record dates as the Directors may determine where the equity securities respectively attributable to the interests of the shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record dates, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter,

provided that this authority shall expire on the date of the next Annual General Meeting of the Company after the passing of this Resolution or, if earlier, on 30 July 2021 save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked.

#### **Authority to disapply pre-emption rights**

16. That the Directors be and they are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 15 above and by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:
- (a) the allotment of equity securities or sale of treasury shares in connection with an offer of securities (but in the case of the authority granted under paragraph (b) of Resolution 15 by way of rights issue only) in favour of the holders (“shareholders”) of ordinary shares of 25p each in the capital of the Company (“ordinary shares”) on the register of members at such record dates as the Directors may determine where the equity securities respectively attributable to the interests of the shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record dates, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and
  - (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph (a) of this Resolution 16) to any person or persons up to an aggregate nominal amount of £28,677,308,

and shall expire upon the expiry of the general authority conferred by Resolution 15 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted or treasury shares sold after such expiry and the Directors shall be entitled to allot equity securities or sell treasury shares pursuant to any such offer or agreement as if the power conferred hereby had not expired.

#### **Authority to purchase own shares**

17. That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of that Act) of ordinary shares of 25p each in the capital of the Company (“ordinary shares”) provided that:
- (a) the maximum number of ordinary shares that may be purchased is 229.4 million representing approximately 10% of the issued ordinary share capital of the Company as at 19 March 2020;
  - (b) the minimum price that may be paid for an ordinary share is 25p;

- (c) the maximum price that may be paid for an ordinary share is the higher of (i) an amount equal to 105% of the average of the middle-market prices shown in the quotation for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this Resolution 17 will be carried out;
- (d) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution unless previously renewed, varied or revoked by the Company in general meeting; and
- (e) the Company may enter into a contract to purchase its ordinary shares under this authority prior to its expiry, which contract will or may be executed wholly or partly after such expiry, and may purchase its ordinary shares in pursuance of any such contract.

#### **Approval of British American Tobacco Restricted Share Plan**

18. That:

- (a) the rules of the British American Tobacco Restricted Share Plan (the "RSP"), in the form produced to the AGM and initialled by the Chairman of the AGM for the purposes of identification (a summary of which is set out in Appendix 2 to the Notice of AGM), be and are hereby approved; and the Company is authorised to be able to satisfy subsisting and future awards granted under the RSP with new issue or treasury shares; and
- (b) the Directors of the Company be and are hereby authorised to establish further plans based on the RSP for the benefit of employees of the Company and/or its subsidiaries who are located outside the United Kingdom, with such modifications as may be necessary or desirable in order to take account of local tax, exchange control or securities laws as they consider appropriate provided that any ordinary shares made available under such plans shall be treated as counting against any individual or overall limits contained in the RSP.

#### **Authority to make donations to political organisations and to incur political expenditure**

19. That in accordance with, and for the purposes of, sections 366 and 367 of the Companies Act 2006, the Company and all companies which are subsidiaries of the Company during the period when this Resolution 19 has effect, be generally and unconditionally authorised to:

- (a) make political donations to political parties or independent election candidates not exceeding £100,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £100,000 in total; and
- (c) incur political expenditure not exceeding £100,000 in total,

(as such terms are defined in the Companies Act 2006) during the period beginning with the date of the passing of this Resolution and ending at the conclusion of the Annual General Meeting to be held in 2021 or, if earlier, on 30 July 2021, provided that the authorised sum referred to in paragraphs (a), (b) and (c) above, may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sum, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, the day on which the Company enters into any contract or undertaking in relation to the same and provided that, in any event, the aggregate amount of political donations and political expenditure made or incurred by the Company and its subsidiaries pursuant to this Resolution shall not exceed £100,000.

## **Notice period for General Meetings**

20. That a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By Order of the Board

**Paul McCrory**

Secretary

26 March 2020

Registered Office:

Globe House

4 Temple Place

London

WC2R 2PG

Registered in England and Wales No. 03407696

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### **Notes:**

1. A shareholder is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the Meeting in his/her place. A proxy need not be a shareholder of the Company.
2. Please refer to Appendix 1 for further information about voting at the Annual General Meeting (including the submission of proxy forms and voting instructions) and for certain other additional information relating to the Meeting.

## APPENDIX 1: VOTING

### Shareholders entitled to attend the Annual General Meeting

1. Only shareholders, their attorneys, proxies and authorised representatives of corporations which are shareholders are entitled to attend, speak and vote at the Meeting.

### Voting: in person (or by attorney)

2. Shareholders, or their attorneys, who plan to attend the Meeting are requested, if possible, to arrive at the venue at least 30 minutes prior to the time designated for the Meeting so that their holding may be checked against the Company's share register and attendances recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

### Voting: by corporate representatives

3. A corporate shareholder may authorise a person or persons to act as its representative(s) at the Annual General Meeting. In accordance with the provisions of the 2006 Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder in the Company, provided that they do not do so in relation to the same shares.

### Voting: (1) Proxy Form; and (2) Proxy Form — South Africa

4. The guidance notes in this section are applicable to both: (1) shareholders with a Proxy Form; and (2) those certificated shareholders on the SA Branch Register with a Proxy Form — South Africa ("PFSA"). The particular procedures applicable to a Proxy Form and a PFSA are set out in the following paragraphs.
5. **A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. If multiple proxies are to be appointed, then a separate Proxy Form or PFSA must be completed for each proxy appointment. If you intend appointing additional proxies, please contact Computershare Investor Services PLC (on 0800 408 0094 or +44 370 889 3159) or Computershare Investor Services Proprietary Ltd (on 0861 100 634 or by fax on +27 11 688 5238) to obtain (an) additional form(s). Alternatively, you may photocopy the enclosed Proxy Form or PFSA.**
6. The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, then the proxy is deemed to be authorised for the whole of the shareholder's holding (or in the case of a shareholder with designated accounts, the whole of the holding in the designated account).
7. A proxy need not be a shareholder of the Company but must attend the Meeting to represent you. Your proxy can be either an individual (such as the Chairman of the Meeting or another Director of the Company or another person who has agreed to represent you) or a body corporate. Your proxy must vote as you instruct and must attend the Meeting for your vote to be counted.  
  
Appointing a proxy does not preclude you from attending the Meeting and voting in person.
8. If a proxy is not directed how to vote on an item of business the proxy may vote, or abstain from voting, as they think fit. A proxy shall have authority to demand, or join in demanding, a poll at the Meeting.
9. Should any resolution, other than those specified in this Notice of Meeting, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
10. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

11. Shareholders who return their Proxy Forms or PFSA's with a direction on how to vote, but do not nominate the identity of their proxy, will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. Proxy appointments in favour of the Chairman of the Meeting, the Secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the Resolutions proposed in this Notice of Meeting.
  12. Completed Proxy Forms or PFSA's should be sent to the Company's UK Registrars or SA Registrars using the pre-addressed envelope provided with this Notice of Meeting.
  13. To be effective, Proxy Forms must be lodged by 11.30am (UK time) on Tuesday 28 April 2020 for shareholders registered on the main register of members in the United Kingdom. Proxy forms lodged after this time will be invalid.
  14. To be effective, PFSA's must be lodged by 12:30pm (South Africa time) on Tuesday 28 April 2020 for certificated shareholders registered on the SA Branch Register. PFSA's lodged after this time will be invalid.
  15. Proxy Forms may be lodged using one of the following methods:
    - (1) by returning a completed Proxy Form by post to:

The Registrar for British American Tobacco p.l.c.  
Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ  
United Kingdom

or
    - (2) by recording the proxy appointment electronically via the internet at [www.eproxyappointment.com](http://www.eproxyappointment.com) or by scanning the QR code at the top of the Proxy Form with your Smartphone. Full details of the procedure are given on that website and your Control Number, Shareholder Reference Number (SRN) and PIN can be found on your Proxy Form or email notification. Electronic proxy appointments must be received by Computershare Investor Services PLC no later than 11.30am (UK time) on Tuesday 28 April 2020.
  16. PFSA's may be lodged by using one of the following methods:
    - (1) by returning a completed PFSA by post to:

The Registrar for British American Tobacco p.l.c.  
Computershare Investor Services Proprietary Ltd  
Rosebank Towers  
15 Biermann Avenue  
Rosebank 2196  
(Private Bag, X9000, Saxonwold, 2132)  
South Africa

or
    - (2) by recording the proxy appointment electronically via the internet at [www.eproxyappointment.com](http://www.eproxyappointment.com).

Full details of the procedure are given on that website and your Control Number, Shareholder Reference Number (SRN) and PIN can be found on your PFSA or email notification. Electronic proxy appointments must be received by 12:30pm (South Africa time) on Tuesday 28 April 2020.
- A completed PFSA may also be lodged by:
- (1) a faxed copy to Computershare Investor Services Proprietary Ltd on +27 11 688 5238; or
  - (2) a scanned copy by email to Computershare Investor Services Proprietary Ltd at [proxy@computershare.co.za](mailto:proxy@computershare.co.za).
17. The Proxy Form or PFSA must be signed by the shareholder or the shareholder's attorney. A Proxy Form or PFSA must be completed by, or on behalf of, the shareholder making the

appointment. A corporation may execute a Proxy Form or PFSA either under its common seal or under the hand of (a) duly authorised officer(s). Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by Computershare Investor Services PLC or Computershare Investor Services Proprietary Ltd (as appropriate) by the deadlines stated in paragraphs 13 and 14 respectively.

18. In the case of joint holders, any one holder may sign the Proxy Form or PFSA. The vote of the senior holder who tenders a vote will be counted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names appear on the register of shareholders.
19. Shareholders who return a Proxy Form or PFSA or register the appointment of a proxy electronically will still be able to attend the Meeting and vote in person if they so wish. If you attend the Meeting in person and vote, then your proxy appointment will automatically be terminated.
20. A copy of this Notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the 2006 Act ("nominated persons"). The right to appoint a proxy does not apply to nominated persons. However, nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy.

Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of the voting rights. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the shareholder who nominated the nominated person to enjoy information rights (or, perhaps, the custodian or broker who administers the investment on their behalf). Nominated persons should continue to contact that shareholder, custodian or broker (and not the Company) regarding any changes or queries relating to the nominated person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a nominated person.

#### **Voting: the CREST electronic proxy appointment service**

21. Shareholders who are CREST members with shares held in uncertificated form who wish to appoint a proxy or proxies are encouraged to use the CREST electronic proxy appointment service by using the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
22. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time for receipt of proxy appointments specified in paragraph 13 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
23. CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In connection with this, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

24. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

**Voting: voting instruction form for owners of shares dematerialised into Strate (“Voting Instruction Form”)**

25. **Beneficial owners of shares on the SA Branch Register which are dematerialised through Strate (other than those referred to in paragraph 26 below) should promptly provide their Central Securities Depository Participant (“CSDP”) or broker with their voting instructions under the terms of the custody agreement entered into between the beneficial owner and CSDP or broker. The enclosed Voting Instruction Form may be used for this purpose (although such shareholders are advised to check this form for consistency with the custody agreement concluded between them and their CSDP or broker).**
26. Beneficial owners who appointed Computershare Limited as their CSDP, with the instruction that their ordinary shares are to be registered in the electronic sub-register of members in their own names, must complete the Voting Instruction Form and return it no later than 12:30pm (South Africa time) on Tuesday 28 April 2020 to:

The Registrar for British American Tobacco p.l.c.  
Computershare Investor Services Proprietary Ltd  
Rosebank Towers  
15 Biermann Avenue  
Rosebank 2196  
(Private Bag, X9000, Saxonwold, 2132)  
South Africa

A completed Voting Instruction Form may also be faxed to Computershare Investor Services Proprietary Ltd on +27 11 688 5238. A Voting Instruction Form lodged after 12:30pm (South Africa time) on Tuesday 28 April 2020 will be deemed to be invalid. The Voting Instruction Form must be signed by the shareholder or the shareholder’s attorney. The Voting Instruction Form must be completed by, or on behalf of, the shareholder giving the instructions. A corporation may execute the Voting Instruction Form either under its common seal or under the hand of a duly authorised officer(s). Where the Voting Instruction Form is signed by an attorney, a certified copy of the power of attorney, or the power itself, must be received by Computershare Investor Services Proprietary Ltd at the address above or by facsimile to +27 11 688 5238 by 12:30pm (South Africa time) on Tuesday 28 April 2020. If facsimile transmission is used the power of attorney must be certified.

Holders of dematerialised ordinary shares who appointed Computershare Limited as their CSDP with the instruction that their ordinary shares are to be registered in the electronic sub-register of members in their own name and who wish to register an electronic appointment of proxy, may do so at [www.eproxyappointment.com](http://www.eproxyappointment.com). Full details of the procedure are given on that website and your Control Number, Shareholder Reference Number (“SRN”) and PIN can be found on your Voting Instruction Form. Electronic proxy appointments must be received by 12:30pm (South Africa time) on Tuesday 28 April 2020.

27. Beneficial owners of shares which are dematerialised through Strate (including those who have ‘own name’ registration) wishing to attend the Meeting in person should promptly contact their CSDP or broker to obtain a letter of representation to enable them to do so.
28. Voting Instruction Forms and requests for letters of representation must be submitted by the relevant CSDP or broker no later than 12:30pm (South Africa time) on Tuesday 28 April 2020 so that they may be collated and verified by Strate prior to the Meeting. Beneficial owners should therefore submit their Voting Instruction Form or request for a letter of representation to their CSDP or broker within the time period required by the CSDP or broker or as stipulated in the custody agreement between the beneficial owner and the CSDP or broker.

**Employee Share Ownership Plan — form of direction**

29. Participants in the Company’s Employee Share Ownership Plan (the “Plan”) may direct the trustee of the Plan (the “Trustee”) to vote on their behalf by registering their vote electronically (see paragraph 15(2) above) with the Trustee no later than 11.30am (UK time) on Tuesday 28 April 2020.

### **Vested Share Account**

30. Individuals who are or were employed by a company in the British American Tobacco Group and who have deposited ordinary shares in the Company with Computershare Company Nominees Limited (the “Nominee”) in connection with the Vested Share Account may exercise their voting rights in respect of those shares by registering their vote electronically (see paragraph 15(2) above) with the Nominee no later than 11.30am (UK time) on Tuesday 28 April 2020.

### **Holders of American Depositary Shares (“ADSs”)**

31. Holders of ADSs will receive a separate notice of meeting and proxy voting forms from Citibank N.A., as depositary bank for the American Depositary Receipt programme, scheduled to be dispatched on or around 27 March 2020.

Participants in the RAI 401k Savings Plan (the “401k Plan”) or the Puerto Rico Savings & Investment Plan (the “Puerto Rico SIP”) may send voting instructions to the trustee of the 401k Plan or the custodian of the Puerto Rico SIP to vote on their behalf for the ADSs allocated to their account under the 401k Plan or the Puerto Rico SIP. ADSs for which no instructions are received will be voted by the trustee of the 401k Plan and the custodian of the Puerto Rico SIP in the same proportion as the ADSs for which instructions are received by each of them.

### **Shareholders who are entitled to vote**

32. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 the Company gives notice that the time by which a person must be entered on the register of members (the UK Register/SA Branch Register) in order to attend or vote at the Meeting or adjourned Meeting (and for calculating the number of votes such a person may cast) is 6.00pm (UK time), in the case of the UK Register, and, in the case of the SA Branch Register, at 7:00pm (South Africa time) on the date which is two days prior to the Meeting or adjourned Meeting. Changes to entries on the register of securities after the relevant time will be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the Meeting or adjourned Meeting.

### **Conduct of the Meeting**

33. The quorum for the Meeting will be two persons entitled to vote upon the business to be transacted, each being a shareholder, or a proxy for a shareholder, or a duly authorised representative of a corporation which is a shareholder.
34. The Company must cause to be answered at the Meeting any question relating to the business being dealt with at the Meeting which is put by a member attending the Meeting, except (i) if to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, (ii) if the answer has already been given on a website in the form of an answer to a question, or (iii) if it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
35. Voting on Resolutions 1 to 20 at this Meeting will be conducted on a poll rather than a show of hands.

### **Notice of Meeting**

36. If you have sold or transferred all of your shares, this Notice of Meeting should be passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.
37. A copy of this Notice and the other information required by section 311A of the 2006 Act can be found on the Company’s website ([www.bat.com](http://www.bat.com)).
38. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.

## **APPENDIX 2: SUMMARY OF THE RESTRICTED SHARE PLAN**

The terms of the British American Tobacco Restricted Share Plan (the RSP) are summarised below.

### **Administration**

Awards may be granted, and the RSP will be administered, by the Board, or a duly authorised committee of the Board.

### **Eligibility**

Awards may be granted to any of the employees of the Company or its subsidiaries, other than the executive directors of the Company ("Eligible Employees").

### **Form of awards**

Awards will take the form of either:

- a conditional right to receive ordinary shares in the Company ("Shares") which will be automatically transferred to the participant following vesting (a "Conditional Award"); or
- a nil or nominal-cost option, exercisable by the participant following vesting during a permitted exercise period (extending not later than the tenth anniversary of the date of award) (an "Option").

### **Individual limit**

The maximum value of the Shares over which an Eligible Employee may be granted an award under the RSP in any financial year shall not exceed an amount equal to 250 per cent. of the Eligible Employee's gross annual basic salary as at the date of grant. The RSP may, in addition, be used to facilitate "buy-out" awards granted on the recruitment of an Eligible Employee.

### **Timing of grant of awards**

Options and awards under the RSP may, save in exceptional circumstances, only be granted within a period of 42 days following the date of announcement by the Company of its interim or final results (or as soon as practicable thereafter if the Company is restricted from being able to grant options or awards). Awards under the RSP may also be made in connection with the recruitment or promotion of an Eligible Employee, as soon as reasonably practicable thereafter.

### **Vesting**

Awards will normally vest on the third anniversary of the date of grant. A shorter vesting period may apply, for example, where an award is granted in connection with the recruitment or promotion of an Eligible Employee.

If the Board so determines, an award may be satisfied in whole or in part by a cash payment as an alternative to the issue or transfer of Shares.

### **Dividend equivalents**

Participants may receive an additional payment or Shares of equivalent value equal to the dividends which would have been paid during the vesting period on the number of Shares that vest.

### **Leavers**

An award will normally lapse where the participant ceases to hold office or employment with the Group. Awards will not lapse where the cessation of office or employment with the Group is due to injury, ill-health, disability, redundancy, the transfer of the participant's employment in connection with a business sale, the company with which the participant holds office or employment ceasing to be a member of the Group, or any other reason if the Board so determines (a "Good Leaver").

Where a participant ceases employment for a Good Leaver reason before the normal vesting date, the award will normally continue to remain capable of vesting on its normal vesting date on a pro rated basis (unless the Board determines otherwise), although the Board may determine that the award will instead vest on the date of cessation.

On the death of a participant, an award shall immediately vest in full.

An Option held by a Good Leaver will be exercisable during a period of six months from the date of vesting (or such other period as the Board may permit) or 12 months in the case of death.

### **Corporate actions**

In the event of a change of control, awards will normally vest and Options may be exercised for a period of six months. In the event of the passing of a resolution for the voluntary winding-up of the Company, awards will vest and Options will be exercisable for a period of two months. In the event of a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of the Shares to a material extent, awards may be adjusted as set out below or the Board may allow awards to vest, in which case Options may be exercised for a period of two months, or such other period as the Board may permit. Where the corporate action forms part of an internal re-organisation, or if so agreed with the acquiring company, unless the Board determines otherwise, an award shall not vest, and instead will be replaced with an award of equivalent value over shares in the new controlling company. Where an award vests in any of these circumstances it will vest on a pro rated basis (unless the Board determines otherwise).

### **Claw-back**

The Board may apply clawback under the RSP at any time within the period of five years from the date on which an award was granted if it determines that there has been a material misrepresentation in relation to the performance of the Company, any other Group Company and/or the award holder or an erroneous calculation and, in such case, the Award level was affected by such event. The Board may also apply a clawback if it determines that the award holder committed at any time prior to the vesting of the award, including prior to grant, an act or omission which the Board determines would justify, or would have justified, summary dismissal or termination of office or employment on the grounds of misconduct.

A clawback may be satisfied in a number of ways, including by reducing the amount of any future bonus, by reducing the vesting of any subsisting or future awards or options, by reducing the number of Shares under any unexercised option and/or by requiring a cash payment or transfer of Shares to be made to the Company.

The clawback provisions will not apply following the occurrence of a takeover or similar corporate event.

### **Non-Transferable and Non-Pensionable**

Options and awards are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

### **Plan Limits**

Shares may be newly issued, transferred from treasury or market purchased for the purposes of the RSP.

Options or awards may not be granted under the RSP on terms capable of being satisfied by newly issued shares where to do so would cause the number of Ordinary Shares which may be issued pursuant to outstanding awards or options granted within the previous 10 years under the RSP and any other employees' share scheme adopted by the Company, when added to the number of Ordinary Shares issued for the purpose of any such awards and options, to exceed 10 per cent. of the Company's ordinary share capital in issue immediately prior to the proposed date of grant.

Options or awards may not be granted under the RSP on terms capable of being satisfied by newly issued shares where to do so would cause the number of Ordinary Shares which may be issued pursuant to outstanding awards or options granted within the previous 10 years under the RSP and any other discretionary employees' share scheme adopted by the Company, when added to the number of Ordinary Shares issued for the purpose of any such awards and options, to exceed 5 per cent. of the Company's ordinary share capital in issue immediately prior to the proposed date of grant.

These limits do not include rights to Shares which have been released, lapsed or otherwise become incapable of exercise or vesting.

Treasury shares will count as new issue shares for the purpose of these limits for so long as institutional investor bodies consider that they should be so counted.

## **Variation of capital**

The number of Shares subject to options and awards and, where applicable, any option exercise price may be adjusted, in such manner as the Board may determine, following any variation of share capital of the Company, a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of Shares to a material extent.

## **Alterations**

The Board may amend the rules of the RSP as it considers appropriate, subject to any relevant legislation, provided that no modification may be made which confers any additional advantage on participants relating to eligibility, plan limits, the basis of individual entitlement, the price payable for the acquisition of Shares and the provisions for the adjustment of options and awards without prior shareholder approval, except for amendments which are minor amendments to benefit the administration of the RSP, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company (or other Group companies).

## **Employee Benefit Trust (the "EBT")**

The Company may use its existing EBT, or may establish a new EBT, to operate in conjunction with the RSP and otherwise to benefit Eligible Employees and former Eligible Employees of the Company and its subsidiaries.

The Company and its subsidiaries may fund the EBT by loan or gift to acquire Shares by market purchase, by subscription or from treasury. Any Shares issued to the EBT (where the trust does not acquire Shares by market purchase) will be treated as counting against the plan limits contained in the rules of the RSP.

The EBT is, or will be, constituted by a trust deed between the Company and an offshore independent professional trustee. The power to appoint and remove the trustee rests with the Company. The EBT will not, without prior shareholder approval, be able to make an acquisition of Shares where it would then hold more than 5 per cent. of the Company's issued share capital from time to time.

## **APPENDIX 3: ADDITIONAL STATUTORY AND REGULATORY INFORMATION**

### **Contracts of service**

1. Copies of the contracts of service between each Executive Director and the Company and the letters of appointment of the Non-Executive Directors and the setting out the terms and conditions of their appointment are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company up to the time of the Meeting. These, together with the register of Directors' interests in the shares of the Company and its subsidiaries, will be available at the AGM.

### **Statement of voting rights**

2. As at 19 March 2020 (being the latest practicable date prior to publication of this document), the Company's issued share capital consisted of 2,294,184,655 ordinary shares of 25p each carrying one vote each (excluding treasury shares). As at 19 March 2020 the Company held 162,365,192 ordinary shares in treasury and is not permitted to exercise voting rights in respect of those shares.

### **Auditors**

3. Shareholders satisfying the threshold requirements set out in section 527 of the 2006 Act can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the shareholders propose to raise at the Annual General Meeting. Where the Company is required to publish a statement on its website, it must: (a) send a copy of the statement to the Company's auditors no later than the time it makes that statement available on the website; and (b) include the matters set out in the statement in the business of the Annual General Meeting.

## **APPENDIX 4: MEETING INFORMATION**

The venue for the 2020 Annual General Meeting is Globe House, 4 Temple Place, London WC2R 2PG.

### **AGM Administration**

For your personal safety and security there will be checks carried out including bag searches of everyone attending the Meeting. We recommend that you arrive in time to allow for these procedures.

Recording equipment, cameras and other items that might interfere with the good order of the Meeting will not be permitted.

**The recording or photographing of the event and the proceedings of the Meeting by any device at any time is strictly forbidden. Any infringement will be dealt with appropriately by BAT authorised personnel.**

You are requested to turn off all mobile devices.

There will be facilities for shareholders who are in wheelchairs. Anybody accompanying a shareholder as a carer will be admitted to the Meeting.

## **APPENDIX 5: SHAREHOLDER INFORMATION**

### **Listings and Shareholder Services**

#### **Premium listing**

London Stock Exchange (Share Code: BATS; ISIN: GB0002875804)

#### **UK Registrar**

Computershare Investor Services PLC  
The Pavilions, Bridgwater Road  
Bristol BS99 6ZZ, UK  
tel: 0800 408 0094; +44 370 889 3159  
web-based enquiries: [www.investorcentre.co.uk/contactus](http://www.investorcentre.co.uk/contactus)

#### **British American Tobacco p.l.c.**

##### **Registered Office**

Globe House, 4 Temple Place, London WC2R 2PG, UK  
tel: +44 20 7845 1000

#### **Secondary listing**

JSE (Share Code: BTI)

Shares are traded in electronic form only and transactions settled electronically through Strate.

#### **SA Registrar**

Computershare Investor Services Proprietary Limited  
Private Bag, X9000, Saxonwold, 2132  
South Africa  
tel: 0861 100 634; +27 11 870 8216  
email enquiries: [web.queries@computershare.co.za](mailto:web.queries@computershare.co.za)

#### **British American Tobacco p.l.c.**

##### **Representative Office in South Africa**

Waterway House South, No. 3 Dock Road  
V&A Waterfront  
Cape Town  
South Africa  
PO Box 631, Cape Town 8000, South Africa  
tel: +27 21 003 6712

#### **American Depositary Receipts (ADRs)**

NYSE (Symbol: BTI; CUSIP Number: 110448107)

BAT's shares are listed on the NYSE in the form of American Depositary Shares (ADSs) and these are evidenced by American Depositary Receipts (ADRs), each one of which represents one ordinary share of British American Tobacco p.l.c. Citibank, N.A. is the depositary bank for the sponsored ADR programme.

Citibank Shareholder Services  
PO Box 43077, Providence, Rhode Island 02940-3077, USA  
tel: 1 888 985 2055 (toll-free) or +1 781 575 4555  
email enquiries: [citibank@shareholders-online.com](mailto:citibank@shareholders-online.com)  
website: [www.citi.com/dr](http://www.citi.com/dr)

#### **Publications**

Copies of current and past Annual Reports are available on request. Highlights from these publications can be produced in alternative formats such as Braille, audio tape and large print, contact:

British American Tobacco Publications  
Unit 80, London Industrial Park, Roding Road  
London E6 6LS  
tel: +44 20 7511 7797; facsimile: +44 20 7540 4326  
email: [bat@team365.co.uk](mailto:bat@team365.co.uk)

Alternatively contact the British American Tobacco p.l.c. Representative Office in South Africa using the contact details shown above.

## Dividends

The Board has declared an interim dividend of 210.4p per ordinary share of 25p, payable in four equal quarterly instalments of 52.6p per ordinary share to shareholders registered on either the UK Register or the SA Branch Register and to ADS holders, each on the applicable record dates set out under the heading 'Key Dates' below.

## Holders of American Depositary Shares ("ADSs")

For holders of ADSs listed on the New York Stock Exchange ("NYSE"), the record dates and payment dates are set out below. The equivalent quarterly dividends receivable by holders of ADSs in US dollars will be calculated based on the exchange rate on the applicable payment date. A fee of US\$0.005 per ADS will be charged by Citibank, N.A. in its capacity as depositary bank for the ADR programme in respect of each quarterly dividend payment.

## South Africa Branch Register

In accordance with the JSE Limited ("JSE") Listing Requirements, the finalisation information relating to shareholders registered on the SA Branch Register (comprising the amount of the dividend in South African rand, the exchange rate and the associated conversion date) will be published on the dates stated below, together with South Africa dividends tax information.

The quarterly dividends are regarded as 'foreign dividends' for the purposes of the South Africa Dividends Tax. For the purposes of South Africa Dividends Tax reporting, the source of income for the payment of the quarterly dividends is the United Kingdom.

## Key Dates

In compliance with the requirements of the London Stock Exchange ("LSE"), the NYSE and Strate, the electronic settlement and custody system used by the JSE, the following salient dates for the quarterly dividends payments are applicable. All dates are 2020, unless otherwise stated.

Event	Payment No. 1	Payment No. 2	Payment No. 3	Payment No. 4
Preliminary Announcement (includes declaration data required for JSE purposes)	27 February			
Publication of finalisation information (JSE)	17 March	30 June	21 September	7 December
No removal requests permitted between the UK Register and the SA Branch Register	17 March to 27 March (inclusive)	30 June to 10 July (inclusive)	21 September to 2 October (inclusive)	7 December to 18 December (inclusive)
Last Day to Trade (LDT) cum dividend (JSE)	24 March	7 July	29 September	14 December
Shares commence trading ex-dividend (JSE)	25 March	8 July	30 September	15 December
No transfers permitted between the UK Register and the SA Branch Register	25 March to 27 March (inclusive)	8 July to 10 July (inclusive)	30 September to 2 October (inclusive)	15 December to 18 December (inclusive)
No shares may be dematerialised or rematerialised on the SA Branch Register	25 March to 27 March (inclusive)	8 July to 10 July (inclusive)	30 September to 2 October (inclusive)	15 December to 18 December (inclusive)
Shares commence trading ex-dividend (LSE)	26 March	9 July	1 October	17 December
Shares commence trading ex-dividend (NYSE)	26 March	9 July	1 October	17 December
Record date (JSE, LSE and NYSE)	27 March	10 July	2 October	18 December
Last date for receipt of Dividend Reinvestment Plan (DRIP) elections (LSE)	21 April	29 July	22 October	13 January 2021
Payment date (LSE and JSE)	13 May	19 August	12 November	3 February 2021
ADS payment date (NYSE)	18 May	24 August	17 November	8 February 2021

**South Africa Branch Register Finalisation Information – published 17 March 2020**  
**Payment No. 1 – May 2020 (the “May 2020 Dividend”)**

**South Africa Branch Register: Dividend Rate**

A rate of exchange of £:R = 20.11360 as at 13 March 2020 (the closing rate on that date as quoted by Bloomberg), results in an equivalent May 2020 Dividend of 1057.97536 SA cents per ordinary share.

**South Africa Branch Register: Dividends Tax Information**

South Africa Dividends Tax (at a rate of 20%), equivalent to 211.59507 SA cents per ordinary share, will be withheld from the gross May 2020 Dividend paid to shareholders on the SA Branch Register, unless a shareholder qualifies for an exemption. After Dividends Tax has been withheld, the net dividend will be 846.38029 SA cents per ordinary share. The May 2020 Dividend is regarded as a ‘foreign dividend’ for the purposes of the South Africa Dividends Tax. For the purposes of South Africa Dividends Tax reporting, the source of income for the payment of the May 2020 Dividend is the United Kingdom.

British American Tobacco p.l.c. is registered with the South African Revenue Service (SARS) with tax reference number 9378193172.

The full announcement can be seen at [www.bat.com](http://www.bat.com).

**Calendar 2020**

Thursday 30 April	Annual General Meeting at 11.30am Globe House, 4 Temple Place, London WC2R 2PG
Friday 31 July	Half-Year Report







