

Servicing:

Philip Morris USA
U.S. Smokeless Tobacco Company
John Middleton
Helix Innovations
Nu Mark

May 3, 2021

Subject

Our Perspective on the U.S. Food and Drug Administration (FDA) Announcement

To

Retailers and Wholesalers

From

Altria Group Distribution Company (**AGDC**) on behalf of Philip Morris USA (**PM USA**) and John Middleton Company (**JMC**)

At-A-Glance

- On April 29, 2021, the FDA announced it's working toward issuing proposed product standards within the next year to ban menthol as a characterizing flavor in cigarettes and ban all characterizing flavors (including menthol) in cigars.
- Any actions by the FDA that restrict the sale and distribution, or establish menthol product standards, will require formal rulemaking including public notice and comment. There is no required deadline or timeline for the FDA to act.
- We will review the FDA's announcement and continue to engage in this multi-year process with a focus on the science and evidence.

Where We Stand

- We have a goal of moving adult smokers from cigarettes to potentially less harmful alternatives, but prohibition does not work.
- We believe the science and evidence does not support a ban on menthol cigarettes.
- Criminalizing menthol will lead to serious unintended consequences, including an illicit
 market, an impact to state and federal excise taxes and master settlement agreement
 payments, and to jobs throughout the legitimate distribution chain.
- Youth smoking rates, including menthol cigarettes, are at historical lows and the federal legal age of purchase is now 21.
- A far better approach is to support the establishment of a marketplace of FDAauthorized non-combustible alternatives for adult smokers to switch to.

For additional information please visit altria.com.

Closing

Thank you for your continued support.