

PHILIP MORRIS  
TOBACCO SALES TO MINORS

WHEREAS: -an estimated 38% of high school seniors smoked in the last month, making them "regular smokers" (National Institute for Drug Abuse);  
-between 50 and 70% of these children smoke Marlboros;  
-of all children alive in the U.S.A. in 1990, 5,000,000 are predicted to be killed prematurely by cigarette smoking, with at least half of the expected to die from Marlboro (if they remain loyal to the brand);  
-stopping smoking Marlboros for youths is very difficult since more children get addicted to cigarettes than to heroin, cocaine, and PCP;  
-children tend not to know that cigarette smoking is addictive or to underestimate health-hazards caused by smoking;  
-a Vice President of our Company stated in 1990: "There clearly is evidence that links cigarette smoking with lung cancer and other diseases. We don't deny that cigarette smoking is a risk factor for lung cancer and other diseases;"  
-studies show the imagery in Marlboro advertising appeals to children;  
-Federal and State legislation is pending restricting tobacco products to minors;  
-our Company is being sued in Massachusetts for illegally selling tobacco products to children;  
-it was stated at our Company's 1990 annual meeting that 598 packs of Marlboros are sold illegally each minute--which realized in 1989 \$103.3 million in illegal profits for our Company;  
-instead of aggressively working to end cigarette sales to minors our Company has increased its advertising as well as its promotion and sponsorship of sports and music events that attract minors;

RESOLVED that a Review Committee composed of no more than twelve members (one half selected from the Board and one half by the U.S. Surgeon General and this resolution's proponents) to be in place by September 1, 1991. This Committee shall report to the Board by September 1, 1992 its findings regarding:

1. the impact our promotions and sampling have on children's decisions to smoke Marlboro and our Company's other brands;
2. a specific evaluation of how promotional techniques such as advertizing and sponsoring sports and music events, paid product placements in movies viewed by children, as well as free sampling affect children's purchase of Marlboro and our Company's other cigarette brands;
3. what policies/practices our Company might implement to insure that minors not be targeted with the above, inducing them to buy our cigarette products.

FURTHER RESOLVED that by January 1, 1993 this Committee's recommendations, with management's implementation plan, be available to all requesting shareholders.

SUPPORTING STATEMENT

At the 1990 general meeting of our Company, Hamish Maxwell made it clear that our Company does not condone illegal sales of its products but made no concrete promise to work actively to stop the practice of millions of underage children who regularly and illegally smoke Marlboro and our Company's other brands. Neither did he support the suggestion that some of the profits realized from the illegal sales of our Company's products should be used to curb teenage smoking and addiction to tobacco.

To signify your concern that this seduction of the innocent cease, please vote "yes" and just say "no" to further exploitation of our nation's youth.

2025038862