



PROJECT BATTALION

Impact on the Operating Company

Unchanged role of the Operating Company:

- Accountable for delivery of results in the local market
 - profitability
 - market share
 - customer service
 - product quality
- Champion a strong consumer-led culture throughout the organisation
- Develop and execute an effective competitive strategy for the market
- Drive the successful development of the strongest portfolio of brands to satisfy local consumer needs
 - strong brands serving profitable consumer segments
 - local product development to satisfy local taste preferences
- Drive local product development to satisfy consumer tastes
- Achieve excellence in trade marketing and distribution to build strong, profitable customer relationships
- Drive supply chain excellence both in-market and to supply other BAT operating companies
- Proactively identify new business opportunities
- Build strong relationships with local government and regulators
- Develop the best managers for BAT
- Continuously improve performance including development and adoption of best practices wherever possible

Changes:

- GM may report to a different region
- For most operating companies, one less management layer between the GM and the TMB (*subject to confirmation*)
- Country provides critical bottom-up input to and identifies investment opportunities for the global strategy development process
- Centre provides greater clarity of business strategy and expectations from each country to contribute to the global gameplan
- Greater/more responsive support from region/global centre:
 - faster decision-making from the region/global centre
 - proactive sharing of best practices and processes for all functions
 - clarity in priorities and faster response from product development
 - clear positions and support for Consumer and Regulatory Affairs issues
 - greater legal support
 - better training and development of staff and global management of senior careers
- Greater support for international brands with single accountability at the global centre

204554876