

MINUTES

kept at the Extraordinary
General Meeting of Swedish
Match AB (publ), Reg. No.
556015-0756, on December 16,
2016 in Stockholm

§ 1

The Chairman of the Board, Conny Karlsson, opened the Meeting.

Sara Mindus was elected as the Chairman of the Meeting.

It was noted that the secretary of the Board, Marie-Louise Heiman, was assigned to keep the minutes at the Meeting.

The Meeting resolved to not permit any audio and video recording, other than on behalf of the Company for internal use.

§ 2

The list of shareholders present was approved as the voting list, Appendix 1.

§ 3

Jan Särilvik, representing Nordea's funds, and Anneli Lönnborg, representing SEB's foreign customers, were appointed to verify the minutes along with the Chairman of the Meeting.

§ 4

The secretary announced that the notice to the Extraordinary General Meeting was published in Post- och Inrikes Tidningar on November 18, 2016, that the notice has been provided on the Company's website as from November 17, 2016 and that information in respect of the notice was published in Svenska Dagbladet on November 18, 2016.

The Meeting declared itself to have been duly convened. The notice to attend the Meeting was appended to the minutes, Appendix 2.

§ 5

The Agenda, as set out in Appendix 3, was approved.

§ 6

The Board of Directors' proposal regarding the special dividend and motivated statement was presented as well as the auditor's report, Appendices 4-6.

The shareholders were given the opportunity to ask questions.

Pursuant to the Board of Directors' proposal, it was resolved that a dividend of 9.50 SEK per share shall be paid to the shareholders and that the record day for the right to receive a cash dividend shall be December 20, 2016.

In-house translation from Swedish

§ 7

The Meeting was closed.

Minutes checked by:

Minutes kept by:

Sara Mindus
Chairman

Marie-Louise Heiman

Jan Särllvik

Anneli Lönnborg

Notice to the Extraordinary Shareholders' Meeting in Swedish Match AB (publ)

The shareholders of Swedish Match AB (publ), Reg. No. 556015-0756, are hereby notified of the Extraordinary Shareholders' Meeting to be held on Friday, December 16, 2016, at 09.00 CET at Sveavägen 44, Stockholm, Sweden.

Agenda

1. Opening of the Meeting and election of the Chairman of the Meeting.
2. Preparation and approval of the voting list.
3. Election of one or two persons to verify the minutes.
4. Determination of whether the Meeting has been duly convened.
5. Approval of the Agenda.
6. Resolution on the Board of Directors proposal on a special dividend.
7. Closing of the Meeting.

The Proposals of the Board of Directors

Item 1: Björn Kristiansson, attorney at law, is proposed as the Chairman of the Meeting.

Item 6: The Board of Directors proposes a special dividend of 9.50 SEK per share. The proposed record day for the right to receive the dividend is Tuesday, December 20, 2016. Payment through Euroclear Sweden AB is expected to be made on Friday, December 23, 2016.

In September, Swedish Match sold 13,000,000 shares in Scandinavian Tobacco Group for a total amount of 1,752 MSEK. Following this transaction a special dividend is proposed in accordance with Swedish Match's financial strategy of returning excess cash not needed for its own operations to its shareholders.

Documents

Full details of the Board of Director's proposal on the special dividend, motivated statement and report regarding events of material significance for the Company's financial position as well as statement by the auditor regarding the Board of Directors' report will be made available at Swedish Match headquarters (Legal Department) at Sveavägen 44, in Stockholm, Sweden, no later than Friday, November 25, 2016. The documents will be sent to shareholders upon request, provided that such shareholder states its address. All the above documents will be available on the Company's website, www.swedishmatch.com and be presented at the Meeting.

Number of shares and votes in the Company

The total number of shares and votes in Swedish Match AB (publ) on the issue date of this notice amounts to 188,750,000 of which 3,222,565 shares are presently repurchased own shares of the Company which may not be represented at the Meeting.

Right to participate in the Meeting

In order to participate in the Meeting you need to be registered as a shareholder in the share register kept by Euroclear Sweden AB on Friday, December 9, 2016 (the record date is Saturday, December 10, 2016). In addition, you need to notify Swedish Match of your intention to participate in the Meeting no later than Monday, December 12, 2016, at which time the notification shall have been received by Swedish Match. Shareholders who wish to be accompanied by one or two assistants at the Meeting shall also inform Swedish Match thereof within the appointed period of time.

Notice of participation

Notice of participation may be submitted in writing to Swedish Match AB (publ), "Extraordinary Shareholders' Meeting", P.O Box 7842, SE-103 98 Stockholm, Sweden, by telephone at +46 (0)8 402 90 42 (09:00 – 16:00 CET), or via the Internet at www.swedishmatch.com/agm. Upon giving notice of participation, the shareholder shall state his or her name/company name, civic ID/corporate registration number, address, telephone number (daytime) and the name(s) of assistant(s), if any. Receipt of notification will be confirmed by Swedish Match, which will issue an attendance card prior to the Meeting to be presented at the entrance to the venue where the Meeting is held.

Proxy form

Proxy forms are available upon request and on the Company's website www.swedishmatch.com.

Proxy

Shareholders who are represented by proxy shall issue a power of attorney for the proxy. If the power of attorney is issued by a legal entity, a copy of the corporate registration certificate for such legal entity shall be enclosed (or if no such document is available, an equivalent authorization document). The proxy is valid for one year from the date of issuance or the longer period of validity stated in the proxy, however not longer than five years from the date of issuance. To facilitate entry at the Meeting, the power of attorney in original as well as the corporate registration certificate and other authorization documents, if any, should be provided to the Company at the address stated above no later than Monday, December 12, 2016.

Voting right registration

Shareholders whose shares are nominee registered and who wish to participate in the Meeting must temporarily re-register such shares in their own name (i.e. voting right registration). Request for re-registration shall be submitted to the nominee in sufficient time to allow the re-registration to be effective at Euroclear Sweden AB no later than Friday, December 9, 2016 (the record date is Saturday, December 10, 2016).

Information at the Extraordinary Shareholders' Meeting

The Board of Directors and the President shall, if any shareholder so requests and the Board of Directors considers that it may be done without significant harm to the

Appendix 2

Company, provide information regarding circumstances that may affect the assessment of an item on the Agenda.

The entrance to the venue for the Meeting will open at 08.30 (CET).

Stockholm, November 2016

SWEDISH MATCH AB (publ)
The Board of Directors

**AGENDA
OF THE EXTRAORDINARY GENERAL MEETING OF THE
SHAREHOLDERS OF SWEDISH MATCH AB
FRIDAY, 16 DECEMBER 2016, AT 09.00 AM**

1. Election of the Chairman of the Meeting.
2. Preparation and approval of the voting list.
3. Election of one or two persons to verify the minutes.
4. Determination of whether the Meeting has been duly convened.
5. Approval of the Agenda.
6. Resolution on the Board of Directors proposal on a special dividend.
7. Closing of the Meeting.

The Board of Directors' proposal under item 6 on the Agenda of the Extraordinary Shareholders' Meeting of Swedish Match AB (publ) on December 16, 2016

The Board of Directors proposes a special dividend of SEK 9.50 per share to the shareholders.

In September, Swedish Match sold 13,000,000 shares in Scandinavian Tobacco Group for a total amount of 1,752 MSEK. Following this transaction a special dividend is proposed in accordance with Swedish Match's financial strategy of returning excess cash not needed for its own operations to its shareholders.

After the most recently adopted resolution regarding a value transfer the available portion of the disposable amount pursuant to Chapter 17, Section 3, first paragraph in the Swedish Companies Act is 16 014 820 826,12 SEK.

The proposed record day for the right to receive the dividend is December 20, 2016. Payment through Euroclear Sweden AB is expected to be made on December 23, 2016.

The following documents are appended to this proposal:

- (i) The 2015 annual report of Swedish Match (including the adopted income statement and balance sheet and the auditor's report), (left out of the minutes);
- (ii) The Board of Directors' motivated statement concerning the justification of the proposed dividend in accordance with Chapter 18, Section 4, of the Swedish Companies Act, Appendix 5;
- (iii) The Board of Directors' report regarding events of material significance for the Company's financial position which occurred subsequent to the presentation of the annual report in accordance with Chapter 18, Section 6, of the Swedish Companies Act, (left out of the minutes); and
- (iv) The Auditor's statement regarding the Board of Directors' report in accordance with Chapter 18, Section 6, of the Swedish Companies Act, Appendix 6.

Statement by the Board of Directors pursuant to chapt. 18, §4 and chapt. 17, §3 with regard to the special dividend proposal submitted to the 2016 Extraordinary General Meeting.

Background

The Board of Directors has analyzed and evaluated the proposed special dividend payment. The analysis has been based, among other things, on a review of the Group's financial strategy and a financial and strategic long-term plan, including a risk analysis. The dividend previously paid during 2016 and the mandate to repurchase the Company's own shares have also been considered. Please see the Directors' Report for a description of the financial strategy.

The nature, scope and inherent risks of the operations

The nature of the operations is specified in the Articles of Association and published Annual Reports. The operations conducted by the Company do not entail any risks over and above those that arise, or may be assumed to arise, within the industry, or those generally associated with the conduct of commercial operations. The tobacco industry is relatively insensitive to fluctuations in the economic climate. Please see the Annual report (in particular the Directors' Report) and the latest interim reports (first three, six and nine months 2016) for details of significant events and risk factors.

Between 31st December 2015 and the date of this statement by the Board, a subsidiary of the Parent company has divested, in two tranches, part of its holding in an associated company (Scandinavian tobacco group, "STG"). The divestment is not expected to materially affect the Company's ability to fulfill existing and predicted payment liabilities at the correct time.

The Board of Directors is of the opinion that the nature, scope and inherent risks of the operations do not raise concern to the justification of the proposed dividend.

The financial position of the Company and the Group

The financial position of the Company and the Group on 31st December 2015 is shown in the most recently published Annual Report and on 30th September 2016 in the third quarter interim report. The consolidated shareholders' equity has been calculated in accordance with International Financial Reporting Standards (IFRS) adopted by the EU, and by applying RFR 1.2 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board. The Parent Company's shareholders' equity has been calculated in accordance with the same principles as for the Group, with exemptions and supplements by applying the Swedish Financial Reporting Board's recommendation, RFR 2.1, Accounting for Legal Entities.

On 31st December 2015, the consolidated shareholders' equity amounted to SEK 251 million, negative SEK 59 million of which is attributable to a hedge reserve. Per the same date, on 31st December 2015, the Parent Company shareholders' equity amounted to SEK 21,215 million and included market valuations of certain subsidiaries and hedge reserve of SEK 19,5 billion.

The Group's actual financial position differs from the financial position reported in the most recently published Annual Report in that the companies that make up the corporate Group own a number of assets with market values which exceed the reported values. Based on the closing price of the Swedish Match share on 31st December 2015, the market value of the Group's shareholders' equity was SEK 56,713 million.

Between 31st December 2015 and the date of this statement by the Board, the consolidated shareholder's equity has been affected by the net income and other comprehensive income for the period as well as the Parent Company's dividend distributions as well as repurchase of shares. The Parent company has distributed SEK 3,764 million and repurchased shares to a total amount of SEK 999 million.

On 30th September 2016, the consolidated shareholders' equity amounted to negative SEK 576 million, of which negative SEK 106 million is attributable to hedge reserve. The Parent Company shareholders' equity amounted to SEK 17,659 million and included market valuation of certain subsidiaries and hedge reserve of SEK 19.5 billion. On 30th September 2016, the market value of the Group's shareholders' equity was SEK 58,404 million.

The Group's interest coverage ratio, based on EBITA (earnings before financial items, adjusted for large non-recurring items, tax and amortization of intangible assets/net interest items) was 8.9x on 31st December 2015, and the net debt in relation to EBITA was 2.1x. The same financial metrics were 9.6x and 1.7x respectively on September 30, 2016.

The proposed dividend in relation to the financial position

The Board proposes to the extraordinary general meeting (EGM) a special dividend of SEK 9.5 per share. Given the number of outstanding shares on 30th September 2016, the proposed special dividend amounts to SEK 1,763 million. As the company is repurchasing shares, the total amount at the date of the EGM may be lower.

The already paid dividend approved by the 2016 AGM, amounted to SEK 3,764 million. The total dividends to be paid during 2016 is therefore estimated to amount to a maximum of SEK 5,526 million corresponding to 26.1 per cent of the Parent Company's shareholders' equity per 31st December 2015 and the now proposed dividend to 10.0 percent of the Parent Company's shareholders' equity per 30th September 2016. The estimated total dividends exceed the Group's reported shareholders' equity on 31st December 2015 by SEK 5,276 million and lower the Group's reported shareholders' equity on 30th September 2016 from negative SEK 576 million to negative SEK 2,338 million.

The ratio of the total dividends to the market value of shareholders' equity of the Group on 31st December 2015 is 9.7 per cent and the now proposed dividend to 3.0 percent based on the market value on 30th September 2016.

The 2016 AGM mandated the Board to buy back shares in the Company to the extent that the Company at any time holds a maximum of 10 per cent of its registered shares. Assuming 18.870 million shares bought back at a price of SEK 300 total buy backs would amount to 5,661 MSEK. This amount corresponds to 36.1 percent of the Parent Company's reported shareholders' equity per 31st December 2015 after deduction of already distributed and now proposed dividend payments and lowers the Group's reported shareholders' equity per 31st December 2015 after deduction of already distributed and now proposed dividend payments to negative SEK 10.0 billion. If exercised in full, the buy-back program would correspond to about 10.0 per cent of the market value of the Group's shareholders' equity on 31st December 2015. The

utilization of the mandate to buy back share in the Company, is regularly decided and evaluated by the Board.

The proposed dividend in relation to liquidity

Based on a review of the Group's financial strategy and a financial and strategic long-term plan, including a risk analysis, the Board of Directors is of the view that the proposed dividend in combination with the already paid dividend and mandate to repurchase shares do not affect the Company's ability to fulfill existing and predicted payment liabilities at the correct time. The Company's liquidity forecast includes a readiness to handle variations in ongoing payment obligations. For a more detailed description of the Group's liquidity, please see accompanying note to the Group's financial statements regarding financial instruments in the most recently published Annual Report.

Based on the same review, the Board is of the opinion that the proposed dividend does not jeopardize fulfillment of the investments deemed necessary.

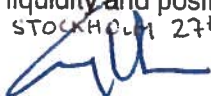
Summary

The Board of Directors' is of the opinion that the Company's financial position does not give rise to any assessment other than that the Company is able to continue its operations and can be expected to fulfill its obligations in both the short and the long term.

Justification of the asset transfers

With reference to the above, the Board believes that the assessment of the Parent Company's and the Group's financial positions justify the asset transfers with reference to the requirements imposed on the size of the Parent Company's and the Group's shareholders' equity by the nature, scope, and inherent risk of the operations, as well as to the consolidation requirements, liquidity and position in general of the Parent Company and the Group's operations.

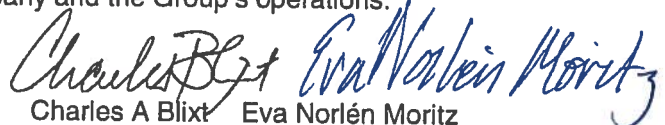
STOCKHOLM 27th October 2016



Conny Karlsson
Chairman of the Board



Andrew Cripps
Deputy Chairman



Charles A Blixt
Board Member

Eva Norlén Moritz
Board Member

~~Patrik Engelbrektsson~~
~~Board Member~~



Jacqueline Hoggerbrugge
Board Member

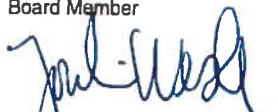


Eva Larsson
Board Member

Wenche Rolfsen
Board Member



Meg Tivéus
Board Member



Joakim Westh
Board Member



Joakim Andersson
Deputy



The auditor's statement pursuant to Chapter 18. § 6 of the Companies Act (2005: 551) of the Board of Director's report and proposal of a supplementary dividend

To the General Meeting of Shareholders of Swedish Match AB (publ), reg. no. 556015-0756

We have examined the Board of Director's report and the proposal dated 2016-10-27.

Responsibilities of the Board of Director's for the report and the proposal of a supplementary dividend

The Board of Director's is responsible for developing the report and proposal under the Companies Act and that there is such internal control as the Board of Director's deems necessary in order to prepare the report and the proposal without material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to report on the supplementary dividend based on our examination. We conducted our examination in accordance with FAR's recommendation *RevR 9 Auditor's other statements under the Companies Act and the Companies Ordinance*. This recommendation requires that we comply with ethical requirements and plan and perform the examination to obtain reasonable assurance that the Board of Director's report does not contain significant misstatements. The Audit Firm applies ISQC 1 (International Standard on Quality Control) and thus has a comprehensive quality control system including documented policies and procedures regarding compliance with professional ethics, standards of professional practice and applicable requirements of laws and other regulations.

The examination involves performing procedures to obtain evidence about the financial and other information in the Board of Director's report and proposal. The auditor decides which actions to take, including assessing the risks of material misstatement of the report and proposal, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board of Director's preparation of the report and the proposal in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. The examination also includes evaluating the appropriateness and reasonableness of assumptions made by Board of Director's. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Statement

We believe that the report is true and fair and we recommend to the General Meeting of Shareholders that the profit be appropriated in accordance with the Board of Director's proposal.

Other information

This statement has the sole purpose of fulfilling the requirements of Chapter 18. § 6 of the Companies Act and may not be used for any other purpose.

Stockholm October 27, 2016

KPMG AB

Cronie Wallquist
Authorized Public Accountant