

**MINUTES**

kept at the Annual General Meeting of Swedish Match AB (publ), Reg. No. 556015-0756, on April 9, 2019 in Stockholm

**§ 1**

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

Björn Kristiansson 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**

Filippa Gerstädt and Carl Saxon were appointed to verify the minutes along with the Chairman of the Meeting.

**§ 4**

The secretary announced that the notice to the Annual General Meeting was published in Post- och Inrikes Tidningar on March 5, 2019, that the notice has been provided on the Company's website as from March 1, 2019 and that information in respect of the notice was published in Svenska Dagbladet on March 5, 2019.

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 annual report and the auditors' report, the consolidated financial statements and the auditors' report on the consolidated financial statements for 2018, the auditors' opinion regarding compliance with the previously adopted principles for remuneration to the members of the executive management, Appendix 4, as well as the Board of Directors' proposal regarding the allocation of profit and motivated statement were presented, Appendices 5 and 6.

The President gave accounts of the Company's operations and result during 2018.

The Chairman of the Board reported on the work and function of the Board of Directors, the Audit Committee and the Compensation Committee, as well as on the remuneration for auditing and other work paid to Swedish Match's auditors in 2018.

The auditor in charge, Peter Ekberg, Deloitte AB, reported on the auditing work.

The shareholders were given the opportunity to ask questions. The questions were answered by President.

**§ 7**

It was resolved to adopt the income statement and balance sheet, along with the consolidated income statement and consolidated balance sheet, as presented in the annual report, Appendix 7.

**§ 8**

The Board of Directors' proposal according to Appendix 5 was presented.

It was resolved that the funds at the disposal of the Annual General Meeting shall be allocated by way of a dividend of 10:50 SEK per share to be paid to the shareholders, that the remaining profits be carried forward, and that the record day for the right to receive a cash dividend shall be April 11, 2019.

**§ 9**

It was resolved to discharge the members of the Board of Directors and the President from liability for the period January 1 – December 31, 2018.

It was noted that the decision was unanimous with the exception of 1 837 votes against and 214 023 votes abstaining from voting which had been submitted in advance.

It was noted that the members of the Board of Directors and the President did not take part in this resolution.

**§ 10**

Johan Strandberg, the Chairman of the Nominating Committee, reported on how the work of the Nominating Committee has been conducted.

Pursuant to the Nominating Committee's proposal, it was resolved that the Board of Directors, for the period until the next Annual General Meeting, shall consist of seven ordinary Board members and no deputies.

**§ 11**

The Nominating Committee's proposal as set out in Appendix 8 was presented.

A question from Aktiespararna was answered by the Chairman of the Nominating Committee.

Pursuant to the Nominating Committee's proposal, it was resolved that the Board of Directors, for the period up until the end of the Annual General Meeting 2020, shall receive the following remuneration:

the Chairman shall receive 2,080,000 SEK, the Deputy Chairman shall receive 980,000 SEK and the other Board members shall each receive 830,000 SEK; and that the Chairman of the Compensating Committee shall receive 270,000 SEK and the Chairman of the Audit Committee shall receive 310,000 SEK and the other members

of these committees shall each receive 135,000 SEK. It was further resolved in accordance with the Nominating Committee's proposal.

**§ 12**

The Nominating Committees' proposal according to Appendix 9 was presented.

Pursuant to the Nominating Committee's proposal, it was, for the period up until the end of the next Annual General Meeting, resolved to re-elect Charles A. Blixt, Andrew Cripps, Jacqueline Hoogerbrugge, Conny Karlsson, Pauline Lindwall, Wenche Rolfsen, and Joakim Westh as ordinary Board members, to re-elect Conny Karlsson as Chairman of the Board of Directors, and Andrew Cripps as Deputy Chairman of the Board of Directors.

It was noted that the employees' associations have, through special elections, appointed Patrik Engelbrektsson (the Swedish Trade Union Confederation, LO), Pär-Ola Olausson (the Swedish Trade Union Confederation, LO) and Dragan Popovic (the Swedish Federation of Salaried Employees in Industry and Services, PTK) as ordinary Board members, as well as Niclas Bengtsson (the Swedish Confederation of Professional Associations, SACO), Niclas Ed (the Swedish Federation of Salaried Employees in Industry and Services, PTK) and Matthias Eklund (the Swedish Trade Union Confederation, LO) as Deputy Board members.

**§ 13**

Pursuant to the Nominating Committee's proposal according to Appendix 10 it was resolved that the number of auditors shall be one with no deputy auditor.

**§ 14**

Pursuant to the Nominating Committee's proposal according to Appendix 10, it was resolved that the remuneration to the auditor is to be paid according to approved accounts.

**§ 15**

Pursuant to the Nominating Committee's proposal according to Appendix 10, it was resolved to elect the auditor company Deloitte AB as auditor for the period as of the end of the Annual General Meeting 2019 until the end of the Annual General Meeting 2020.

It was noted that Deloitte AB has informed the Company that Peter Ekberg will be the auditor in charge.

**§ 16**

The Board of Directors' proposal according to Appendix 11 was presented.

Pursuant to the Board of Directors' proposal according to Appendix 11, it was resolved to adopt the principles for remuneration to members of the executive management.

**§ 17 a)**

The Board of Directors' proposal according to Appendix 12 was presented.

Pursuant to the Board of Directors' proposal, it was resolved that the Company's share capital shall be reduced by 13,282,708:2 SEK by means of withdrawal of 6,000,000 shares in the Company; and that the reduced amount shall be allocated to a fund to be used pursuant to a resolution adopted by the General Meeting.

It was noted that the resolution was supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting, and that the resolution thereby had been passed with requisite majority.

**§ 17 b)**

Pursuant to the Board of Directors' proposal, Appendix 12, it was resolved that the Company's share capital shall be increased by 13,282,708:2 SEK through a transfer from non-restricted shareholders' equity to the share capital (bonus issue), whereby the share capital will be increased without issuing any new shares.

**§ 18**

The Board of Directors' proposal according to Appendix 13 was presented.

Pursuant to the Board of Directors' proposal, it was resolved to authorize the Board of Directors to resolve on acquisitions of the Company's own shares, on one or several occasions prior to the next Annual General Meeting, provided that the Company's holding does not at any time exceed 10 percent of all shares in the Company; and that the shares shall be acquired on Nasdaq Stockholm at a price within the price interval registered at any given time (i.e. the interval between the highest bid price and the lowest selling price).

The Board of Directors shall be able to resolve that purchase of own shares shall be made within a repurchase program in accordance with the Market Abuse Regulation (EU) No 596/2014 ("MAR") and the Commission Delegated Regulation (EU) No 2016/1052 (the "Safe Harbour Regulation"), if the purpose of the purchase only is to decrease the Company's equity.

It was noted that the resolution was supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting, and that the resolution thereby had been passed with requisite majority.

**§19**

The Board of Directors' proposal according to Appendix 14 was presented.

Pursuant to the Board of Directors' proposal, it was resolved to authorize the Board of Directors to resolve on the transfer of the Company's own shares, on one or several occasions prior to the next Annual General Meeting. The shares may only be transferred in conjunction with the financing of company acquisitions and other types of strategic investments and acquisitions, and the transfers may not exceed the maximum number of treasury shares held by the Company at any given time.

Transfer of own shares shall be made either on Nasdaq Stockholm or in another manner. In conjunction with the acquisition of companies or operations, transfer of own shares may be made with deviation from the shareholders' preferential rights and

at a price within the price interval registered at any given time (i.e. the interval between the highest bid price and the lowest selling price) at the time of the decision regarding the transfer and in accordance with the rules of Nasdaq Stockholm. Payment for shares transferred in this manner may be made in cash or through a non-cash issue or offsetting of claims against the Company, or on other specific terms.

It was noted that the resolution was supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting, and that the resolution thereby had been passed with requisite majority.

**§ 20**

The Board of Directors' proposal according to Appendix 15 was presented.

Pursuant to the Board of Directors' proposal, it was resolved to authorize the Board of Directors to resolve, for the period until the end of the next Annual General Meeting, to issue new ordinary shares on one or more occasions, with or without deviation from shareholders' preferential rights and against payment in cash, in kind or by set-off.

The number of shares that may be issued may not exceed a maximum dilution effect of 10 percent of the share capital and votes at the time of the Annual General Meeting 2019. The subscription price shall be determined according to prevailing market conditions at the time the shares are issued.

It was noted that the resolution was supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting, and that the resolution thereby had been passed with requisite majority.

**§ 21**

The Nominating Committee's proposal according to Appendix 16 was presented.

It was resolved in accordance with the Nominating Committee's proposal.

After implementation of the amendment as proposed by the Nomination Committee, the Instructions for Swedish Match AB's Nominating Committee will have the wording set out in Appendix 16 A.

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Minutes checked by:

Minutes kept by:

Björn Kristiansson  
Chairman

Marie-Louise Heiman

Filippa Gerstädt

Carl Saxon